

# DAILY REPORT

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*China*

Vol I No 127

2 July 1985

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U.S. ARMS TALKS ADVISER CHIDES SOVIET PROTESTS

OW290852 Beijing XINHUA in English 0837 GMT 29 Jun 85

["Nitze Hits Back at Soviet Protests Over 'Star Wars'" -- XINHUA headline]

[Text] Washington, June 28 (XINHUA) -- The United States today accused the Soviet Union of seeking "a virtual monopoly" in the field of strategic defense by demanding U.S. abandonment of the "star wars" program while pursuing its own version of the Strategic Defense Initiative (SDI).

Speaking to a conference on U.S.-Soviet relations in New York, Paul Nitze, special adviser for arms control to the Reagan administration, reiterated that despite the strong Soviet protest over its "star wars" program, the United States has "the political will to maintain the necessary military capabilities effectively to deter them" and will not adopt a policy of "unilateral restraint."

This is one of the numerous charges and countercharges the two superpowers have flung at each other during the past few days as the second round of the Geneva talks draws to a recess with no progress in sight.

On Wednesday, Soviet leader Mikhail Gorbachev threatened to walk out of the Geneva talks if the United States continues to use them as "a cover for military preparations." The statement was dismissed by the United States as a "distorted characterization of the Geneva negotiations."

Nitze said, the Soviet Union is "heavily involved in strategic defense, with programs that go far beyond research." "Over the last two decades, the Soviet Union has spent roughly as much on strategic defense as it has on its massive offensive nuclear forces."

He said that the Soviets have deployed around Moscow the world's only operational anti-ballistic missile system. He further accused the Soviet Union of conducting a number of activities that are "inconsistent" with the anti-ballistic missile (ABM) treaty, citing as an example its deployment of a large ballistic missile tracking radar near Krasnoyarsk in Siberia.

According to Nitze, the Soviet Union has also been pursuing research in advanced technologies for strategic defense since the 1960s, including high-energy lasers, particle beam weapons, radio-frequency weapons, and kinetic energy weapons.

As for the space weapons, Nitze asserted that the Soviets have "the world's most active military space program" which "dominates the Soviet Union's overall space effort." Last year, the Soviets conducted about 100 space launches, 80 percent of which were purely military in nature, he added.

Calling this "the Soviet version of SDI," Nitze described Soviet criticism of the "star wars" program as "preposterous" and aimed at "keeping the United States from outstripping them in such technologies" and dividing it from its allies.

USSR'S ARBATOV HINTS AT SUSPENDING GENEVA TALKS

OW011442 Beijing XINHUA in English 1434 GMT 1 Jul 85

[Text] Moscow, July 1 (XINHUA) -- A leading Soviet expert on American affairs indicated today that his country would break off the present Soviet-U.S. disarmament talks in Geneva if Washington sticks to its "star wars" program.



Georgiy Arbatov, director of the Institute of U.S. and Canadian Studies, said in an article in the Soviet paper PRAVDA that Washington's decision to appropriate 70 billion U.S. dollars over the next eight years for its Strategic Defense Initiative (SDI) plan is a "destructive mine" placed under the entire arms control process.

Since the U.S. attitude at the talks makes it impossible to negotiate on space armaments, nothing can be discussed about controlling weapons on earth, Arbatov said.

"Most likely," he warned, "the Soviet-American talks on arms limitation will become one of the first victims" of the "star wars" program.

"The United States does not even plan on holding talks in earnest during the next eight or more years, regarding them more as a propaganda trick," he noted.

In such circumstances, "how can Washington believe that the Soviet Union would be interested in participating in such a worthless and dangerous game?"

Arbatov's remarks come in the wake of a June 26 speech by Soviet leader Mikhail Gorbachev in which the Kremlin leader warned that Moscow will have to reassess the entire situation if Washington tries to use the time it gains from the Geneva talks to intensify its military build-up efforts.

#### HUANG HUA ATTENDS UN MEETING ON AFFORESTATION

OW282217 Beijing XINHUA in English 1614 GMT 28 Jun 85

[Text] Beijing, June 28 (XINHUA) -- A meeting held here today supported the move of the Food and Agricultural Organization (FAO) of the United Nations to declare 1985 the international year of forests.

Speaking at the meeting, Vice-Minister of Forestry Wang Dianwen described the FAO move as being of enormous practical and historical significance, pointing to the fast diminishing world forest coverage and China's own problems.

The meeting to greet the international year of forests was jointly held by the Central Afforestation Committee and the Ministry of Forestry. It was attended by Vice-Chairman of the National People's Congress Standing Committee Huang Hua, Vice-Chairman of the Chinese People's Political Consultative Conference National Committee Yang Chengwu, Minister of Forestry Yang Zhong and more than 300 people from forestry departments.

Vice-Minister Wang Dianwen said that China had enacted forest law which established afforestation as a national policy.

Sustained afforestation in the past three decades and more had brought the forest coverage from 8.6 percent of China's total land area on the eve of the founding of the People's Republic to the present 12 percent, he said.

He called on all walks of life to plant more trees and grass so as to push up the figure to 20 percent in the remaining years of the century.

Overfelling of trees, short supply of timber, and worsening of ecological environment in a number of places were among the problems he listed.

Yang Hanxi, vice chairman of the International Coordinating Council of Man and Biosphere (MAB) program and China's national committee of MAB, and Jorcen Delman, program officer of FAO representation also spoke at the meeting.

MA HONG SPEECH TO DEVELOPMENT SYMPOSIUM

HK290221 Beijing SHIJIE JINGJI in Chinese No 5, 10 May 85, pp 1, 3

[Article by Ma Hong, president of the Chinese Academy of Social Sciences: "The Opening of China's Economy to the Outside World -- Opening Speech at an International Symposium on the 'Role of Foreign Capital in Economic Development' Held in Hangzhou"]

[Text] Comrades and friends: The symposium on the "role of foreign capital in economic development" is formally opened today. On behalf of all Chinese representatives, I express my warm welcome to our friends of the same trade from the United States and other countries, and to their wives, who are present at this occasion. It is of great significance for Chinese and foreign scholars to gather in a hall to discuss the role of foreign capital in economic development. I believe that both sides will derive many useful things from this symposium.

The role of foreign capital and technology in economic development has more and more become a topic of lively discussion. Scholars and entrepreneurs in various countries have not only carried out explorations in theory but also accumulated some practical experiences. The reason why the question of foreign capital attracts wide attention lies in the fact that it is an expression of the development trend of the post-war world economy.

It is known to all that since World War II, socialist, developing, or developed capitalist countries have all made great progress in their economies. At the same time, the scientific and technological revolution has expanded the socialization of production to a global scale, thus enabling the internationalization of production to make considerable progress. This has helped expand the economic, trade, fund, and technological exchanges between countries, and strengthen international economic relations and cooperation, thus promoting the development of the world economy. From 1913 to 1938, world industrial output increased at an average annual rate of 2.2 percent and between 1950 and 1973, the average annual growth rate of world industrial output was 5.4 percent, faster than the growth rate of other time spans in this century. The expansion of world trade volume is far quicker than the increase of world industrial production. Between 1950 and 1973, the average annual growth rate of world trade was 7.2 percent.

The above-mentioned facts indicate that with the continued development of the productive forces and continuous scientific and technological progress, the economic relations between countries are developing more and more closely. It has been noticed that since World War II, most countries and regions in the world have been using these economic relations in developing their own economies. They have promoted and strengthened their own economic construction by opening their economies to the outside world and conducting economic exchanges with other countries. This has become the development trend of the world economy at present. If people make a careful analysis of the development process of postwar international economic relations, they will find two distinctive tendencies: First, the more economically developed a country is, the more extensive its economic relations with other countries will become. The sizable dimensions of the developed countries, such as North American and West European countries and Japan, in world trade, technology transfer, and investment in other countries have proved this point. These countries have extremely close economic relations both with each other and with developing countries.

Second, the more economically developed a country is, the bigger the steps it can afford to take in absorbing foreign capital, importing foreign technology, and developing its foreign trade. The examples of some countries and regions in Asia and Latin America in this regard serve as an illustration of this point. The above-mentioned two tendencies have clearly indicated that the present-day world is an open world. No country, even a big country with a vast territory and abundant natural resources, can carry out its economic construction successfully behind closed doors or in the absence of close international intercourse and relations. On the premise of making full use of their own resources, funds, talented people, and technology, it is necessary for the various countries to extensively learn from others' strong points to offset their weaknesses and to vigorously use foreign capital and advanced technology to accelerate their own economic development.

On the other hand, when we stress the progress made in the internationalization of production and the strengthening of international economic relations since World War II, on no account must we forget that there are still many factors hindering the world economy from developing and that the old international economic order presents an obstacle to the strengthening of international economic relations. For instance, from the mid-1970's to the early 1980's, there was a considerable slowdown in the growth of the world economy. Developed capitalist countries were stranded with the most serious two economic crises seen since World War II and the problem of "stagflation" was grave. The vast numbers of developing countries were in an even more difficult situation. Because developed countries tried hard to shift economic crises on developing countries, strengthened trade protectionism, forced down the prices of primary raw material products, and increased loan rates, many developing countries underwent economic stagnation, with their trade conditions worsening, export incomes falling, import capacity weakening, and debts drastically increasing, and they even found it difficult to pay interest on their loans. On top of this, there was a decline in consecutive years in the average per capita income of some developing countries which were encountered with a grim situation. At present, although the economies of most countries are picking up, some factors harmful to the development of the world economy, such as high interest rates, trade protectionism, and debt problems, remain unsettled and North-South negotiations have reached an impasse. The world community must recognize that if North-South cooperation is not developed in accordance with the principle of equality and mutual benefit and the old international economic order is not gradually changed, not only will developing countries encounter more economic difficulties but the problems of market and economic development which Western countries are now facing also will be hard to solve. Due to historical reasons, the developing countries whose population makes up three fourths of the world total are far from becoming an important market commensurate with their population and resources. To develop themselves into a practical market, funds and technology are needed. It is precisely because of this that we strongly appeal to the developed countries to take concrete steps in improving North-South relations and carrying out North-South cooperation on the basis of equality and mutual benefit. With their economies developed and their people's living standards improved, the developing countries will be able to make greater contributions for the development of the world economy. We have consistently held that help is reciprocal and so is contribution.



During the early days of the founding of the PRC, for various reasons, the aspiration of the Chinese people to strengthen economic exchanges with foreign countries was not fully met. On the one hand, during the 1950's and 1960's some developed countries imposed the policy of blockade, embargo, discrimination, and exclusion on our country, and on the other, handicapped by the then international environment, we committed some mistakes both in theory and in practice and were bogged down in national seclusion to a certain degree. At the end of the 1970's, having summed up historical experience, we came to realize that national seclusion is a characteristic of feudal times, which leads nowhere but stagnation and backwardness. Our experience has proved that it will not do to carry out construction behind closed doors and that China's development is not unconnected with the world, and the world's development needs China's cooperative efforts. With this understanding, and in the light of the changed international environment, we have formulated the fundamental state policy of opening to the outside world. This open-door policy is applicable to all countries which are willing to develop economic relations with our country on the basis of equality and mutual benefit. Like the vast numbers of third-world countries, China is a developing country. Hence, there are evidently broad prospects for cooperation between third-world countries and our country. Similarly, we are ready to develop economic relations with all economically developed countries, no matter what social systems they adopt, on the basis of equality and mutual benefit. This relationship of equality and mutual benefit will benefit not only China's socialist modernization program but also the progress of the world economy as a whole.

China's open-door policy is a long-term, fundamental state policy and not a short-term, expedient one. We are determined to quadruple the annual gross value of the nation's industrial and agricultural production and to strive to reach the "level of a comparatively well-off life" by the end of this century, and on this basis, to make another effort for 30 to 50 years to strive to approach or catch up with the level of the world's developed countries. In the course of accomplishing this magnificent target of endeavor, first of all, it is necessary to further mobilize the initiative and creativity of the broad masses of our people and to adhere to the principle of self-reliance. However, on no account does self-reliance mean carrying out construction behind closed doors. We must seize the opportunity, vigorously conduct economic and technological cooperation and exchanges with other countries, actively import foreign capital, technology, and information, invite foreign specialists, expand foreign trade, and expedite the development of our economy. On the other hand, China's long-term open-door policy conforms to the general trend of the world economic development. We will do our utmost to seize the opportunity offered to us by the new global technological revolution and to restructure our economy using the world's scientific and technological achievements. This will be a long-term task. In the future we will carry out more extensive cooperation with various countries in the world on the basis of equality and mutual benefit. So long as cooperation is carried out on the basis of mutual benefit, we will forever open our door to cooperation and be ready to ensure that both sides will benefit from such cooperation.

Over the past few years, China has opened more and more regions to the outside world. In 1980, China set up four special economic zones [SEZs]; in April 1984, it further opened 14 coastal cities and Hainan Island to the outside world; and at the beginning of this year, it opened several economic development areas in the Chang Jiang and Zhu Jiang deltas and the south Fujian triangle.



Through the establishment of the SEZs, open-door coastal cities, and economic development areas, the development of coastal areas can more closely be combined with the development of the inland areas; the relationship between east and west China can be gradually and more effectively solved; and national economic rejuvenation and improvement of the people's living standards can be further promoted.

In October 1984, the 3d Plenary Session of the 12th CPC Central Committee adopted the "Decision of the CPC Central Committee on Reform of the Economic Structure." This is a document of epoch-making significance in the history of China and a programmatic document guiding China's economic structural reform. It is fully justifiable to believe, as I see it, that China's economic structural reform will enable us to open our economy even wider to the outside world.

First, opening to the outside world is in itself an important point in the economic structural reform. The eighth item of the "decision" which is specially designed to deal with the question of opening to the outside world points out: "We must make the best use of both domestic and foreign resources and both domestic and foreign markets, and learn both to organize domestic construction and develop foreign economic relations." Restructuring the economy and opening to the outside world can promote each other. For instance, by reforming the price, foreign trade, and foreign trade administrative systems and improving the legal system, we will surely better meet the needs of opening to the outside world. There is no doubt that with the in-depth development of China's economic structural reform, there will be a significant development in China's foreign economic and technological exchanges.

Second, one important task of the reform is to vigorously develop commodity production and commodity exchange. This will benefit the expansion of foreign economic and technological exchanges. Influenced by the "theory of natural economy" for a long time in the past, we set planned economy against the commodity economy and failed to properly use the law of value in promoting the development of the commodity economy. As a consequence, quite a few enterprises in our country have been for a long time in a state of high consumption and low economic results. The "decision" explicitly stipulates that commodity production should be vigorously developed from now on. This will spur our enterprises to spare no effort in raising economic results, to attach importance to market demands and economic information, to respect qualified people, and to be concerned about the international markets. This will thus accelerate China's economic development on the one hand and help improve the investment climate and create more favorable conditions for using foreign capital on the other. In this way, China will be more attractive to foreign businessmen and firms.

Third, the economic structural reforms will significantly augment China's economic strength and be helpful to world peace and the development of the world economy. We are pursuing an open-door policy and absorbing foreign capital and technology. This can be described as help rendered to China by foreign businessmen. Helping China develop will in turn benefit the world. This is because with a developed economy, China will be able to export and import more commodities and have a stronger material foundation for carrying out economic cooperation and exchanges with other countries in many ways.

This will thus help expand and develop the international markets. Moreover, setting an example of cooperation based on equality and mutual benefit in the vast market of ours will no doubt contribute to the establishment of a more rational international economic order.

To absorb foreign capital and advanced technology, the Chinese Government is taking various measures to improve the investment climate and to do a good job in work in various fields, such as the construction of infrastructural facilities, the adoption or perfection of various kinds of economic legislation, and the stepped up training of qualified people. We welcome corporations, businessmen, or firms of various countries to make wise decisions to invest and establish cooperation in various forms in China in accordance with the principle of equality and mutual benefit.

Comrades and friends, I think this symposium is being held at the right time. Although we have made some achievements in opening to the outside world, we still lack experience in using foreign capital and importing advanced technology since we have only implemented the open-door for a short time. Many problems call for further research and exploration. We hope all scholars and businessmen both Chinese and foreign, will not hesitate to unreservedly discuss your own great learning and rich experiences and the experiences, positive and negative, of other countries in using foreign capital and to point out our shortcomings and problems arising in the course of opening to the outside world, so that we can overcome our shortcomings and correctly solve our problems.

Finally, I hope you foreign scholars will have a pleasant stay in China, and wish you good health. I wish the symposium complete success.

Thank you.

LI PENG, ARMAND HAMMER AT COAL MINE INAUGURATION

OW011642 Beijing XINHUA in English 1531 GMT 1 Jul 85

["Box-Cutting of Sino-U.S. Joint Venture Coal Mine Begins" -- XINHUA headline]

[Text] Tiayuan, July 1 (XINHUA) -- A ceremony inaugurating the box-cutting of the Pingshuo Antaibao open-cast coal mine, the largest cooperative project between China and the U.S. was held at the mine site today.

Chinese Vice-Premier Li Peng, Coal Industry Minister Yu Hongen and Dr. Armand Hammer, chairman of the Occidental Petroleum Corp. of the U.S., cut ribbons at the ceremony. They flew 500 kms from Beijing especially for the occasion.

The Sino-U.S. joint venture coal mine, situated in the Pinglu and Shuoxian Counties of Shanxi Province, is the largest open-cast mine in China. With a designed annual capacity of 15.33 million tons of coal, the mine will go into trial production in the fourth quarter of 1986 and full production in 1987.

It is learned that the mine will employ 1,720 staff members and workers, and will use most advanced equipment and technology.

Covering an area of 18.58 square kilometers, the mine has 8 coal seams with a total depth of 40 meters, and an estimated reserve of 500 million tons.

TRADE BILL FACES OPPOSITION FROM HONG KONG

OW011848 Beijing XINHUA in English 1831 GMT 1 Jul 85

[Text] Hong Kong, July 1 (XINHUA) -- The Hong Kong Government has made and will continue to make every effort to oppose the controversial U.S. Jenkins bill, said Robert Footman, Hong Kong's assistant director of trade.

The bill imposes restrictions on imports of textile and garments into the U.S. If it is ratified, Hong Kong's textile exports to the U.S. will be cut by 13 percent.

Footman told a textiles committee luncheon organized by the American Chamber of Commerce in Hong Kong that the bill has already had about 283 cosponsors in the House of Representatives and 52 in the Senate. This shows how far the U.S. has gone in pursuing protectionism, he said.

In spite of this, Footman said, "within the U.S. there have been a number of welcome developments."

The U.S. retail industry trade action coalition is directing grassroots efforts to flood the offices of congressmen and senators with anti-protectionist mail, he said.

The American Association of Exporters and Importers has organized two lobbying activities, he added.

He noted that the letter issued to all members of Congress by U.S. Secretary George Shultz and others on June 19 was the first concrete indication of opposition to the bill at a high level in the administration.

It is of vital importance to ensure that U.S. interests see that the Jenkins bill is a disaster, he said. Such interests include U.S. importers and exporters, particularly those with interests overseas. He encouraged businesses in Hong Kong to mobilize their contacts with continue to participate fully in discussions with developing countries in Geneva, Footman said.

COMPANY TO STUDY SHENZHEN AIRPORT FEASIBILITY

OW011922 Beijing XINHUA in English 1507 GMT 1 Jul 85

[Text] Shenzhen, July 1 (XINHUA) -- The Parsons Lockheed Company of the United States has won the bidding for the feasibility study of an international airport in Shenzhen, Guangdong Province.

The U.S. Government will provide financial backing for the project, under an agreement signed here Friday by Shenzhen Vice-Mayor Zhou Xiwu and Gim Wever, consul-general of the U.S. Consulate-General in Guangzhou.

The China Civil Aviation Engineering Consultancy Company will assist the U.S. firm in the scheme to be completed later this year.

Initially, a medium-sized airport accommodating Boeing 737 and Trients will be built at a cost of 200 million yuan. Bidding for design and construction of the airport's facilities will be opened after the feasibility study.

Shenzhen is the largest of China's four special economic zones, where foreign investors enjoy preferential treatment.

VICE PREMIER WAN LI MEETS U.S. BUDDHIST VISITORS

OW281302 Beijing XINHUA in English 1257 GMT 28 Jun 85

[Text] Beijing, June 28 (XINHUA) -- Vice Premier Wan Li today met James Ying, president of the Sino-American Chamber of Commerce, his wife Annie Ying, president of the U.S. East States Buddhist Association, and Buddhist master Sik Yun-gam. The guests have come to China to visit the Wutai Mountain and other famous Buddhist sites. Zhao Puchu, president of the Buddhist Association of China, was present on the occasion.

RONG YIREN ATTENDS CEREMONY FOR GM IMPORTS

OW282237 Beijing XINHUA in English 1622 GMT 28 Jun 85

[Text] Beijing, June 28 (XINHUA) -- General Motors Corporation of the United States sold and delivered to China 20 luxury limousines worth about 1 million U.S. dollars here today.

John O. Grettenberger, vice president of the General Motors Corporation, said that was the first time for U.S. motor manufacturers to export motor cars to China since 1951.

Rong Yiren, vice-chairman of the NPC Standing Committee and chairman of the China International Trust and Investment Corporation, and U.S. Ambassador to China Arthur W. Hummel attended the ceremony.

Mr Rong said these eight-seat limousines would be used to serve state guests visiting China.



'CONTENDER' FOR SOVIET LEADERSHIP RESIGNS POSTS

OW011346 Beijing XINHUA in English 1305 GMT 1 Jul 85

["Romanov Dropped From Soviet Party Politburo" -- XINHUA headline]

[Text] Moscow, July 1 (XINHUA) -- Grigoriy Romanov, once considered a possible contender for the Soviet leadership, was today "relieved" of his posts as Politburo member and Central Committee Secretary of the Soviet Communist Party, the official news agency TASS reported today.

TASS said that Romanov, 62, had requested to be relieved of his two posts in connection with retirement "on health grounds," and the Central Committee meeting today approved his request.

The decision was taken at a plenary session of the party Central Committee held in Moscow today on the eve of tomorrow's session of the Supreme Soviet, the Soviet parliament. Soviet Party General Secretary Mikhail Gorbachev addressed the Central Committee session but no details were given.

Also at today's plenary session, the Central Committee promoted Eduard Shevardnadze, party first secretary of the southern Soviet Republic of Georgia, to full membership of the Politburo. He had been an alternate Politburo member since 1978.

Today's meeting also elected two new secretaries to the Central Committee: Lev Zaykov, first secretary of the Leningrad region, and Boris Yeltsin, appointed head of the committee's Construction Department in April.

Romanov was elected to the Politburo in March 1976 and became a Central Committee secretary in June 1983. He has not been seen in public since May 10.

SHEVARDNADZE NAMED FULL SOVIET POLITBURO MEMBER

OW011548 Beijing XINHUA in English 1447 GMT 1 Jul 85

["Shevardnadze, a New Politburo Member of Soviet Party" -- XINHUA headline]

[Text] Moscow, July 1 (XINHUA) -- Eduard Shevardnadze, Communist Party leader in the Soviet Republic of Georgia, was elected a full Politburo member of the Soviet Communist Party (CPSU) at a one-day plenary meeting of the party Central Committee which ended here today.

Shevardnadze served as first secretary of the Communist Party of Georgia since 1972 and an alternate member of the CPSU Politburo since 1978.

At today's Central Committee session, Grigoriy Romanov was dropped from the party's Politburo and Central Secretariat, a development regarded as the most important personnel change since Mikhail Gorbachev became the party general secretary in March.

Shevardnadze, a Georgian, was born in 1928. He graduated from the Georgian party school and a pedagogical institute, and joined the Communist Party in 1948.

Shevardnadze began his political career in 1946 as a Young Communist League functionary and was elected first secretary of the Georgian organization in 1957. He also served as minister of internal affairs of that Soviet republic and is now a deputy of the Supreme Soviet of the USSR. Shevardnadze became a member of the CPSU Central Committee in 1976.

GROMYKO ELECTED PRESIDENT OF SOVIET UNION

OW020810 Beijing XINHUA in English 0757 GMT 2 Jul 85

["Gromyko Elected Soviet President" -- XINHUA headline]

[Text] Moscow, July 2 (XINHUA) -- Soviet Foreign Minister Andrey Gromyko was elected Soviet president by the Supreme Soviet today.

The post of the president of the Presidium of the Supreme Soviet, the highest organ of state power, had been assumed by the then Soviet Communist Party General Secretary Leonid Brezhnev, Yuriy Andropov and Konstantin Chernenko. Since Mikhail Gorbachev succeeded Chernenko as the party general secretary in March this year, it has been speculated that he would, like his predecessors, take the post as well.

It was reported that Gromyko's name for the presidency was put forward by the party leader Gorbachev at the Supreme Soviet, the nation's parliament.

Gorbachev said the new president would relinquish Gromyko's positions as foreign minister and first vice-chairman of the Council of Ministers. Newly-elected Politburo member Eduard Shevardnadze has been named his successor as foreign minister.

Gromyko, a veteran diplomat, was born in a peasant family on July 18, 1909. He entered the party Politburo in 1973 and was elected first vice-chairman of the Council of Ministers in 1983. He has been Soviet foreign minister since 1957.

JOINT DECLARATION PROMISES SRV MORE ECONOMIC AID

OW300235 Beijing XINHUA in English 0206 GMT 30 Jun 85

[Text] Moscow, June 29 (XINHUA) -- The Soviet Union promised more economic aid to Vietnam in the next five years under a joint declaration signed Saturday by Soviet leader Mikhail Gorbachev and his Vietnamese counterpart Le Duan.

The declaration said Moscow had decided to grant Vietnam on easy terms a new credit for 1986-1990, reschedule the repayment of previous credits and increase exports of necessary goods for Vietnam's economy so as to meet Hanoi's "urgent needs", step up its industrial and agricultural development and boost its defence.

The two leaders exchanged views on a series of pressing international issues and agreed to strengthen their coordination in the diplomatic arena.

Duan expressed full support for the Soviet Union's position in the Geneva talks with the United States. In turn, Gorbachev reassured Duan of Moscow's firm backing for the struggle of Vietnam, Laos and the Kampuchean regime against the so-called "intrigues of the imperialist and hegemonical forces."

The declaration also said normalization of the two countries' relations with China will accord with the aims of strengthening peace in Asia.

WU XUEQIAN, WAN LI ATTEND THAI ANNIVERSARY PARTY

OW011609 Beijing XINHUA in English 1458 CMT 1 Jul 85

["Anniversary of Sino-Thai Diplomatic Relations Marked" -- XINHUA headline]

[Text] Beijing, July 1 (XINHUA) -- Thai Foreign Minister Sitthi Sawetsila gave a reception here tonight to mark the 10th anniversary of the establishment of diplomatic relations between Thailand and China.

Among those present were Wan Li, Chinese vice-premier; Ye Fei, vice-chairman of the Standing Committee of China's National People's Congress; Wu Xueqian, state councillor and foreign minister; and leading officials of other Chinese departments concerned.

Also present was the visiting Thai friendship delegation led by former Prime Minister Prince M.R. Khukrit Pramot; Foreign Minister Sitthi Sawetsila; and Chatchai Chunhawan, former foreign minister and chairman of the Thailand-China Friendship Association.

Khukrit and Wan spoke at the reception. They expressed confidence in the bright future of Sino-Thai relations and their determination to make fresh efforts to explore and expand the scope and ways of Sino-Thai cooperation to mutual benefit.

In the afternoon, Sitthi attended a ceremony, laying the foundation-stone of the Beijing Chia Tai Feedmill Ltd., a Sino-Thai joint venture, in Shunyi County on Beijing's north-eastern outskirts.

PREM MARKS THAI-PRC RELATIONS ANNIVERSARY

OW020340 Beijing XINHUA in English 0256 GMT 2 Jul 85

[Text] Bangkok, July 1 (XINHUA) -- The second decade of the relations between Thailand and China would be one characterized by wider cooperation in the interests of the two peoples and on the basis of mutual respect and trust, Thai Prime Minister Prem Tinsulanon said here today.

Speaking at a reception given by Chinese Ambassador in Bangkok Shen Ping to mark the 10th anniversary of Sino-Thai diplomatic ties, Prem Tinsulanon said that the current development of the friendly relations between the two countries is the result of their observance of the Five Principles of Peaceful Coexistence and the U.N. Charter.

Shen Ping in his speech described the past decade relations of the two countries as having undergone a rapid, overall and profound development. And on major international issues and the issue of maintaining peace and security in the region, the two countries have kept themselves in close consultations, coordinated actions and mutual support.

The Chinese ambassador said the development of the friendly and cooperative relations between the two nations is of great importance to maintaining peace and security in Southeast Asia.

A long-term factor in furthering the friendly cooperation between the two countries lies in the fact that both China and Thailand are facing the challenge of developing their national economy and raising the living standards of the people and that they are willing to work for the preservation of peace and stability in the region and the world at large, the ambassador said.

Zhu Muzhi, head of a Chinese Government delegation, and high-ranking Thai officials were present on the occasion.



KIRIBATI PRESIDENT TABAI CONTINUES PRC VISIT

Zhao Ziyang, Tabai Meet

OW281246 Beijing XINHUA in English 1222 GMT 28 Jun 85

[Text] Beijing, June 28 (XINHUA) -- China supports the South Pacific countries' efforts to uphold national independence, oppose external interference, develop their national economies and pursue regional cooperation, Chinese Premier Zhao Ziyang said here today.

Zhao made these remarks while talking with visiting Kiribati President Ieremia Tabai in the Great Hall of the People. China wishes to see sustained peace and stability in the South Pacific region, the Chinese premier said.

Both Zhao and Tabai expressed gratification over the smooth development of relations between the two countries since they established diplomatic relations in 1980, and shared the desire to further promote friendly cooperation.

Both China and Kiribati are Third World countries and strive for international peace and stability, Zhao noted.

The two countries are engaged in developing their national economies and share the desire to develop friendly relations, he said.

China and Kiribati can cooperate in many fields on the basis of equality and mutual benefit, Zhao added.

Tabai said Kiribati attaches great importance to friendly relations and cooperation with China.

Turning to the situation in the South Pacific region, Tabai said that Kiribati is committed to the maintenance of peace and stability in this area. Kiribati wants to develop its national economy in a peaceful environment, he said.

Tabai expressed the hope for further development of cooperation between China and South Pacific countries.

Premier Zhao Ziyang spoke highly of the stand the South Pacific forum and Kiribati have taken to maintain peace and stability in the South Pacific region.

Tabai said Kiribati does not want to see the superpowers poke their noses into the region. Cooperation among the South Pacific countries can counteract the superpowers' competition in the area, he added.

Premier Zhao said all countries, big or small, rich or poor, should make efforts to ease international tension and maintain world peace.

Third World countries should contribute to South-South cooperation and be more self-reliant, Zhao said, especially when North-South dialogue is currently at a deadlock.

China has always taken into consideration the development of South-South cooperation in promoting economic and technological cooperation with foreign countries, the Chinese premier said.

Among those attending the talks were Chinese Commerce Minister Liu Yi, Vice-Minister of Foreign Affairs Zhu Qizhen, Deputy to the Minister of Foreign Economic Relations and Trade Wang Pinqing, Kiribati Secretary for Foreign Affairs and Ambassador to China Atanraoi Baiteke, and Assistant Secretary for Trade, Industry and Labor Tekoreaua Kairoro.



## Li Xiannian Meets Tabai

OW281258 Beijing XINHUA in English 1250 GMT 28 Jun 85

[Text] Beijing, June 28 (XINHUA) -- Chinese President Li Xiannian said here today that China will develop friendly relations with any country, big or small, poor or rich, on the basis of the Five Principles of Peaceful Coexistence.

President Li made these remarks at a meeting with visiting Kiribati President Ieremia Tabai, his wife, and his party in the Great Hall of the People.

Li extended a warm welcome to the Kiribati president and congratulated him on his country's achievements in upholding national independence and sovereignty and developing its economy.

President Tabai thanked the Chinese Government for inviting him, and expressed his appreciation for China's policy of equality and mutual respect in handling relations among all countries, regardless of size.

Also present on the occasion were President Li's wife, Lin Jiamei, Minister of Commerce Liu Yi and Vice-Minister of Foreign Affairs Zhu Qizhen.

## Li Hosts Banquet

OW281748 Beijing XINHUA in English 1629 GMT 28 Jun 85

[Text] Beijing, June 28 (XINHUA) -- Chinese President Li Xiannian said here today that China and Kiribati had no conflict of interests and China is ready to work with the Kiribati Government for the further development of bilateral relations.

Li said this at a welcoming banquet given by him for Kiribati President Ieremia Tabai and Mrs. Tabai here this evening.

In his speech Li Xiannian praised the Kiribati Government and people for their unremitting efforts to maintain state sovereignty and develop the national economy and their positive contribution to stability in the South Pacific region and its increased regional cooperation.

Li said: "China sincerely hopes that peace and stability will prevail in the South Pacific region.

"The principle guiding our relations with South Pacific countries is: Whatever we do is done for peace and stability in the region and for continued growth of the mutually beneficial cooperation between China and the countries in the region.

"We seek nothing else but friendship and cooperation. We have no intention whatsoever to compete in the region with any country," he said.

Tabai said China and Kiribati were vastly different in their geography, history, political system and in many other respects. Yet, they also had much in common.

He said both of them belonged to the Third World and believed in the principles of mutual respect for sovereignty and territorial integrity, non-interfering in each other's internal affairs, equality and peaceful coexistence.

"The fact that your country believes in these principles is most reassuring to a small country like Kiribati. Because even for a small country, it is very important to recognise that they too have interests that need to be respected," he added.

Earlier on this year, the Kiribati president said, General Secretary Hu Yaobang of the Chinese Communist Party Central Committee visited some countries in the Pacific.

He said Kiribati followed this important visit very closely and it welcomed the objective of the visit being the promotion of friendship and the advancement to the cause of peace between China and the countries of the region.

"I regard the invitation of your government to me to pay you a visit, as yet another clear example of your government's sincere intention to make friends with our region," he said.

Tabai said his visit to China would help strengthen friendly links existing between the two countries.

Present on the occasion were Lin Jiamei, wife of President Li Xiannian; Liu Yi, minister of commerce; Zhu Qizhen, vice-minister of foreign affairs; and leading members of departments concerned.

Also present were Atanraoi Baiteke, secretary for foreign affairs and ambassador to China, and other government officials accompanying the president on the visit.

This morning Mrs. Tabai visited the China National Children's Center. The President and Mrs. Tabai and their party toured the Palace Museum and the Temple of the Heaven here this afternoon.

#### Tabai Leaves for Dalian

OW300713 Beijing XINHUA in English 0651 GMT 30 Jun 85

[Text] Beijing, June 30 (XINHUA 0 -- Kiribati President Ieremia Tabai and his wife left here this morning to visit Dalian, a port city in northeast China.

Chinese President Li Xiannian and his wife Lin Jiamei went to the state guesthouse earlier this morning to bid farewell to President and Mrs. Tabai. Li had a cordial talk with the Kiribati president and wished him a happy journey in touring other parts of China.

Chinese Minister of Commerce Liu Yi and his wife accompanied President and Mrs. Tabai in their visit.

Dalian is also one of the fourteen coastal cities which have been opened to outside world.

#### ZHU XUEFAN GREET'S AUSTRALIAN PARLIAMENTARIANS

OW301747 Beijing XINHUA in English 1613 GMT 30 Jun 85

[Text] Beijing, June 30 (XINHUA) -- A delegation from the Parliament of the Commonwealth of Australia arrived here by air this evening on a ten-day goodwill visit to China at the invitation of Peng Zhen, chairman of the National People's Congress Standing Committee.

The delegation is led by President of the Australian Senate Douglas McClelland. The Australian visitors were greeted at the airport by Zhu Xuefan, vice-chairman of the NPC Standing Committee, and Australian Ambassador to China Dennis W. Argall.

## Zhu Xuefan Hosts Banquet

OW011822 Beijing XINHUA in English 1636 GMT 1 Jul 85

[Text] Beijing, July 1 (XINHUA) -- China ardently desires peace and wishes to work with Australia for the promotion of peace, stability and development of the Pacific region and the world at large.

This remark was made by Zhu Xuefan, vice-chairman of the National People's Congress Standing Committee, at an NPC welcoming banquet hosted by him for a delegation from the Parliament of the Commonwealth of Australia led by its Senate president, Douglas McClelland, here this evening.

Zhu said that China and Australia had neither complaints against each other nor conflicts of fundamental interest.

"Instead, we share similar or identical views on many major international issues," he added.

After reviewing the smooth development of relations between China and Australia since they established diplomatic ties in 1972, Zhu said the Australian Parliament's recent announcement on the establishment of the Australia-China friendship group had further demonstrated the sincere desire of the Australian Parliament members to increase contacts between the legislatures of the two countries, and enhance bilateral friendly relations and cooperation.

"The Chinese NPC Standing Committee shares this desire," he said.

McClelland said the two countries and people had many things in common, although their geographies, populations and histories were different.

"Most importantly we share a desire for global and regional peace, stability and prosperity" he stressed. "We also believe in mutual assistance in all fields of endeavor. The exchanges which are taking place in economic and commercial, scientific, industrial, agricultural, cultural, sport and other areas reflect the growing friendship between our two nations", he said.

McClelland expressed the belief that the existing links between the two countries would contribute to the further development of knowledge and understanding of each other so essential for achieving their common objectives for a stable and prosperous world.

This morning Zhu Xuefan held talks with McClelland and his delegation on further development of relations between the two parliaments. Zhu briefed the visitors on China's foreign policy and recent NPC work.

HONG KONG BASIC LAW COMMITTEE BEGINS MEETING

## Hong Kong Members Arrive

OW301732 Beijing XINHUA in English 1608 GMT 30 Jun 85

[Text] Beijing, June 30 (XINHUA) -- Hong Kong members on the committee for drafting a basic law of the projected Hong Kong special administrative region arrived here today for the committee's first meeting scheduled for tomorrow.

T.K. Ann, vice-chairman of the committee, told reporters at the airport that they were all very glad to come here because the basic law would have great bearings on Hong Kong's future.

He said he felt that ties between Hong Kong and Beijing had been becoming increasingly closer.

Committee members Li Jia-cheng said he would do his bit in the work. He was optimistic about everything, he said, because China was implementing a policy of opening to the outside world, which was conducive to Hong Kong's stability and prosperity.

Committee member Kuang Guang-jie said he hoped they could fulfill their task.



The Hong Kong members also expressed their hopes for increased exchanges and cooperation between committee members from Hong Kong and the mainland.

#### Ji Pengfei Discusses Law

OW011046 Beijing XINHUA in English 1030 GMT 1 Jul 85

["Basic Law for Hong Kong To Be Issued in 1990" -- XINHUA headline]

[Text] Beijing, July 1 (XINHUA) -- Ji Pengfei, chairman of the drafting committee for the basic law of the Hong Kong special administrative district, said today opinions and suggestions of Hong Kong compatriots will be solicited repeatedly and extensively before the law is promulgated in 1990.

Addressing the first meeting of the committee, Ji said the legislation will ensure that the existing capitalist system and life style of Hong Kong would not change within 50 years after 1997.

The basic law will not be referred to the National People's Congress for discussion and promulgation before 1990, mainly because of the amount of time required for revision after repeated discussions, Ji said.

He pointed out that the law is also being formulated to ensure that Hong Kong will keep the present stability of society and lively economy after China recovers sovereignty over Hong Kong in 1997.

"The drafting committee will concentrate its forces to carry out investigations and study. They will extensively seek the opinions of Hong Kong compatriots from all walks of life and gather their suggestions and opinions on drafting the basic law," Ji said. On this basis, the contents which should be included in the basic law and division of the specific items will be ascertained and the drafting of the law will be started at the second meeting of the drafting committee in the first quarter of 1986.

The drafting committee will in the 1986-1987 period discuss and draft the law in accordance with the specific items and strive to prepare a draft by 1988 to solicit views of quarters concerned, including those of Hong Kong.

He said, the draft basic law will be published at the end of 1988 after reporting to the Standing Committee of the National People's Congress. The drafting committee will revise the draft based on the suggestions solicited in the first half of 1989.

Ji said the drafting committee will work in accordance with the principle of democratic consultation. The committee members will give full play to a democratic style of work and consider each other's opinions with an open mind.

He held that the regulations in the joint Sino-British statement have provided a common basis and norms for drafting the basic law. It will not be difficult to solve any problem that may arise if the spirit of democratic consultation is observed and the collective wisdom is given full play.

Ji suggested that the drafting committee will convene for two or three full sessions every year.

He also suggested that a secretariat should be set up under the committee responsible for the daily routine of compiling documents and other work.



## Further on Ji Address

OW011314 Beijing XINHUA in English 1259 GMT 1 Jul 85

[Text] Beijing, July 1 (XINHUA) -- The first meeting of the committee for drafting the basic law of the Hong Kong Special Administrative Region began in the Great Hall of the People here today.

56 of the 59 committee members including 21 from Hong Kong attended this afternoon's plenary meeting.

Addressing the meeting, Ji Pengfei, chairman of the committee, said the meeting marked the beginning of the work to formulate law to guarantee the implementation of Chinese Government's policy of "one country, two systems" when Hong Kong returns to the embrace of the motherland in 12 years.

Ji defined the tasks of the current meeting as studying and discussing how the committee would work, studying and working out the plan and steps for the drafting and exchanging views on the essentials of the law to be drafted.

There is no precedent to follow in stipulating in legal form the Chinese Government's policy of "one country, two systems", Ji Pengfei said. However, he added, the committee would certainly live up to the expectations of the whole Chinese people and the Hong Kong compatriots and do a good job in the drafting.

Vice-Chairmen T.K. Ann, chairman of the Winsor Industrial Corporation Ltd., and Fei Xiaotong also spoke at the meeting.

Ann made concrete suggestions on forming an advisory committee for the drafting of the basic law in Hong Kong.

Fei Xiaoping said the basic law is vital to the future of Hong Kong. Like the Hong Kong compatriots, the one billion people on the mainland are also much concerned about the future of Hong Kong, hoping that Hong Kong would maintain its prosperity and stability. As a matter of fact, he added, the whole world is closely following the situation in Hong Kong. So the committee is duty bound to complete the task well in the spirit of being responsible for the people on the mainland and in Hong Kong.

After the meeting, Li Hou, secretary general of the committee, gave a news briefing on the meeting this afternoon.

FURTHER ON VISIT BY TURKEY'S OZAL, DELEGATION

## Deng Xiaoping Meets Ozal

OW020856 Beijing XINHUA in English 0846 GMT 2 Jul 85

[Text] Beijing, July 2 (XINHUA) -- Deng Xiaoping pointed out here today that the ongoing economic reform in China was a "bold experiment" which involved not only the economy but also defence, science and technology and education.

Deng, chairman of the Central Advisory Commission, was speaking to Turkish Prime Minister Minister Turgut Ozal, whom he met here this morning. They briefed each other on their countries' economic reforms.

Deng told Ozal: "We can only call it an experiment," though China had been carrying out the economic reform for five years. He said that reform in rural areas had achieved good results, and the success of the ongoing reform in urban areas would appear in three to five years. He was convinced that the reform would be successful, as it benefited the nation and the people.

At Deng Xiaoping's request, the Turkish prime minister made suggestions on the Chinese reform from his own country's experience.

The Turkish prime minister, who is an economist, suggested that China should pay attention to the use of qualified personnel in order to stimulate the initiative of the people. He also suggested no resort to economic coercion and commandism and suggested the government delegate power.

Deng Xiaoping was very pleased with Ozal's suggestions. He said that the success of rural reform was a result of stimulating peasants' initiative.

On cooperation between the two countries, Deng said that no contradictions existed between China and Turkey, whose common problems were to strengthen cooperation and to build up and develop both countries, he added.

Deng continued: "We must strive for a peaceful environment, perhaps for ten or twenty years, and be alert to the danger of war."

A peaceful environment, he said, was very important to countries like China and Turkey, who must use it to develop their economies and build themselves up.

Their development, he stressed, would strengthen the forces for maintaining peace and prolong that peaceful environment.

Present were State Councillor Zhang Jingfu and Minister of Light Industry Yang Bo.

## Tian Jiyun, Ozal Meet

OW011436 Beijing XINHUA in English 1320 GMT 1 Jul 85

[Text] Beijing, July 1 (XINHUA) -- Chinese Vice-Premier Tian Jiyun called on the visiting Turkish Prime Minister Turgut Ozal at the Diaoyutai State Guesthouse here this morning.

Tian first met Ozal in March of last year when he accompanied Chinese President Li Xiannian on a visit to Turkey. During their cordial conversation today, they agreed that the development of the Sino-Turkish economic cooperation and trade had a bright future.

This afternoon, Ozal had a busy program, meeting leaders of Chinese Government departments. He exchanged views on matters of mutual interest with Rong Yiren, vice-chairman of the Standing Committee of the National People's Congress and chairman of the China International Trust and Investment Corporation; Zheng Tuobin, minister of foreign economic relations and trade; and Wang Yaoting, chairman of the China Council for the Promotion of International Trade.

Vice-Minister of the State Economic Commission Zhao Weichen gave an account of China's economic development to the Turkish visitors.

The Turkish prime minister this morning laid a wreath at the Monument to the People's Heroes at the Tienanmen Square.

#### Rong Yiren Meets Officials

OW011440 Beijing XINHUA in English 1325 GMT 1 Jul 85

[Text] Beijing, July 1 (XINHUA) -- Vice-Chairman Rong Yiren of the Chinese National People's Congress Standing Committee met and had a cordial conversation with 13 Turkish Grand National Assembly deputies here this afternoon.

Present at the meeting was Lei Jieqiong, chairman of the Sino-Turkish Group for Friendship of the National People's Congress.

#### NORWEGIAN OIL COMPANY TO DRILL IN PRC WATERS

OW290810 Beijing XINHUA in English 0800 GMT 28 Jun 85

[Text] Stockholm, June 28 (XINHUA) -- The Norwegian Government has decided that its State Oil Company (Statoil) will drill for offshore oil in China's Yellow Sea, according to reports from Oslo today.

The decision was announced by Norwegian Minister of Petroleum and Energy Kaare Kristiansen at the company's meeting at the oil city of Stavanger.

A spokesman for Statoil said his company would buy 50 percent of a license from a British oil company for drilling oil in a region in China's Yellow Sea where seismic surveys proved oil deposits.

The spokesman said Statoil would invest annually 60 million kroner (equivalent to six million U.S. dollars) in the drilling operation in the coming four years.

The oil company expressed its interest in China's oil exploitation long time ago and has bought 9.8 percent of a license from a company for drilling China's offshore oil in another region. It is also applying for other drilling licenses in China.



WANG RENZHONG, NPC GROUP CONTINUE GDR VISIT

Honecker Meets NPC Group

OW280718 Beijing XINHUA in English 0700 GMT 28 Jun 85

[Text] Berlin, June 27 (XINHUA) -- Democratic Germany's party and state leader Erich Honecker met here today with Wang Renzhong, vice chairman of the Standing Committee of the Chinese National People's Congress, and the Chinese NPC delegation he is leading

Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the GDR State Council, cheered the positive development of friendly relations between China and the Democratic Germany in recent years and expressed his desire to further the economic and trade relations and scientific and technical cooperation between the two countries.

Referring to the socialist construction in Democratic Germany, particularly a series of decisions adopted by the latest party Central Committee, Honecker stressed that science and technology, especially micro-electronic technology, has played an important role in advancing the socialist construction in the country.

Wang Renzhong briefed him on the achievements made by the Chinese people in the socialist construction with Chinese characteristics.

Wang said although his visit was short, he was deeply impressed by the great successes achieved by the people of Democratic Germany in their socialist construction.

Wang Hosts Banquet

OW290338 Beijing XINHUA in English 0151 GMT 29 Jun 85

[Text] Berlin, June 28 (XINHUA) -- Wang Renzhong, head of the delegation of the Chinese National People's Congress (NPC), gave a return banquet at the Chinese Embassy here this evening.

Present on the occasion were Horst Sindermann, president of the Presidium of the People's Chamber of Democratic Germany; Hermann Axen, chairman of the Committee for Foreign Affairs of the People's Chamber; and Gerald Goetting, vice president of the Presidium of the People's Chamber.

Wang Renzhong, vice chairman of the NPC Standing Committee, said in his toast that the desired goals of his visit of promoting understanding and friendship had been fully accomplished. He expressed the hope that the traditional friendship between the working classes and peoples of the two countries would grow continuously, and wished still greater successes to the Democratic German people in their socialist construction under the leadership of the German Socialist Unity Party.

In reply, Sindermann said the visit of the NPC delegation had brought to Democratic Germany the friendship and cooperation of China. The continued development of the friendly relations between the two countries was in keeping with the interests of the two peoples and world peace, he pointed out.

I. 2 Jul 85

H 2

PRC INTERNATIONAL AFFAIRS  
EASTERN EUROPE

Working talks were held this morning between the Chinese NPC delegation and representatives of the People's Chamber of Democratic Germany. The two sides briefed each other on the work of the two legislative bodies and exchanged views on the role of parliaments in socialist construction.

Prior to the meeting, the Chinese NPC delegation visited Brandenburg Gate in the capital.

Ends Visit

OW291336 Beijing XINHUA in English 1319 GMT 29 Jun 85

[Text] Berlin, June 29 (XINHUA) -- Relations between the parliaments of China and Democratic Germany, and relations between the two countries in general, are destined to improve, a visiting Chinese official said today.

This assessment was made by Wang Renzhong, vice-chairman of the Standing Committee of the Chinese National People's Congress, in a written statement to XINHUA. The statement was issued as Wang concluded his visit to the GDR.

Wang, who headed an NPC delegation, said in the statement that during his one week visit to the GDR he was impressed by the great achievements the GDR has made in socialist construction. "Peace" and "construction" are also two main goals of China's national policy, Wang added.

Wang wished the GDR prosperity and its people happiness.

The Chinese delegation arrived here on June 22 for an official visit and left today.

ALGERIAN PARTY DELEGATION CONTINUES TOUR

Deng on Shenzhen

OW291222 Beijing XINHUA in English 1213 GMT 29 Jun 85

["Shenzhen's Success Not Yet Proved, Says Deng" -- XINHUA headline]

[Text] Beijing, June 29 (XINHUA) -- The success of the Shenzhen Special Economic Zone in southern China has yet to be proved, Chinese leader Deng Xiaoping said here today.

Deng, chairman of the Communist Party Central Advisory Commission, was speaking to a visiting Algerian delegation, which has toured Shenzhen. He described the zone, which borders with Hong Kong, as a new phenomenon of socialism, adding: "We hope it will succeed. But if it fails, we can draw lessons from it."

Shenzhen was a pilot project, and its success remained to be proved, he told the visitors, who said they had been very impressed by the zone's vigorous growth.

Deng told the delegation from the Algerian National Liberation Front Party that relations between China and Algeria were good.

The delegation is being led by Mohamed Cherif Messaadia, member of the Political Bureau and a leading member of the Permanent Secretariat of the party Central Committee.

Sino-Algerian friendship had lasted for several decades and had withstood the test of time, said Deng. He also expressed hope for increased contacts between the two countries' peoples as well as between their leaders.

The senior Chinese leader said the central task of practising socialism was to develop the forces of production. China was adopting all methods to help expand the socialist forces of production, including the use of foreign funds and the import of advanced technology.

Deng said China had drawn lessons from the disastrous "Cultural Revolution", and had worked out a set of development policies since 1978.

He described China's continuing economic reform as the country's predominant and most arduous task. Present at the meeting were Xi Zhongxun, member of the Political Bureau and member of the Secretariat, and Qiao Shi, alternate member of the Secretariat, of the Communist Party Central Committee.

Earlier today, a co-operation agreement was signed between the two parties.

Zhao Ziyang Briefs Group

OW291531 Beijing XINHUA in English 1510 GMT 29 Jun 85

["Chinese Premier Meets Algerian Party Delegation" -- XINHUA headline]

[Text] Beijing, June 29 (XINHUA) -- Chinese Premier Zhao Ziyang met a visiting Algerian National Liberation Front Party delegation led by Mohamed Cherif Messaadia, member of the Political Bureau and a leading member of the Permanent Secretariat of the party Central Committee here this afternoon.

Zhao Ziyang and Messaadia exchanged views on the further development of bilateral cooperation. The Chinese premier also gave a brief account of China's open policy.

This noon, Algerian Ambassador Abdelghani Akbi gave a return reception to mark the visit. It was attended by Chinese Communist Party Political Bureau and Secretariat member Xi Zhongxun and Central Committee alternate Secretariat Member Qiao Shi.

QIAN LIREN, CPC GROUP BEGIN VISIT TO IRAQ

Group Arrives in Baghdad

OW280722 Beijing XINHUA in English 0655 GMT 28 Jun 85

[Text] Baghdad, June 27 (XINHUA) -- A Communist Party of China (CPC) delegation headed by Qian Liren, head of the International Liaison Department of the CPC Central Committee arrived in Baghdad today for a five-day visit to Iraq at the invitation of the Arab Ba'th Socialist Party. In his speech at the airport, Qian said that he was happy to have been invited here and sure that the visit would produce good results.

Sa'd Kasim Hammudi, head of the Bureau for Foreign Relations of the Ba'th Party met the Chinese delegation at the airport. Also present were Chinese Ambassador Zhang Junhua and other Iraqi and Chinese officials.

CPC, Ba'th Party Meet

OW290106 Beijing XINHUA in English 0047 GMT 29 Jun 85

[Text] Baghdad, June 28 (XINHUA) -- The Chinese Communist Party delegation and the Iraqi Arab Ba'th Socialist Party delegation held talks here today on the current international situation and other issues of common concern as well as relations between the two parties.

The Chinese delegation is led by Qian Liren, head of the International Department of the party's Central Committee, while the Iraqi delegation is headed by Sa'd Kasim Hammudi, director of the Foreign Relations Department of the Arab Ba'th Socialist Party. During the talks, both sides briefed each other on the domestic situation in their respective countries and expressed satisfaction over the steady development of relations between the two parties in recent years.

Chinese Ambassador to Iraq Zhang Junhua also took part in the talks. The Chinese party delegation arrived here on June 27.

Party Leaders Hold Talks

OW300244 Beijing XINHUA in English 0139 GMT 30 Jun 85

[Text] Baghdad, June 29 (XINHUA) -- Taha Yasin Ramadan, a leading member of Iraq's Arab Ba'th Socialist Party and first vice-premier, today met the Chinese Communist Party delegation led by Qian Liren, head of the International Liaison Department of the Central Committee of the Chinese Communist Party. In their talks, Ramadan said that the Ba'th Party highly evaluates its friendly relations with the Chinese Communist Party. There exists a deep friendship between the Iraqi and Chinese people and a good prospect lies ahead for their economic cooperation. He called for further strengthening of the economic cooperation.

Qian Liren in his speech stressed that the relations between China and Iraq has always been good. The visit of his delegation will further enhance the relations between the two parties and two countries.

Present on the occasion was Chinese Ambassador to Iraq Zhang Junhua.



CPC DELEGATION, FSLN OFFICIALS MEET IN MANAGUA

OW010850 Beijing XINHUA in English 0841 GMT 1 Jul 85

[Text] Managua, June 20 (XINHUA) -- Officials from the Communist Party of China (CPC) and Nicaragua's ruling Sandinist National Liberation Front (FSLN) met with each other here yesterday, the Nicaraguan newspaper BARRICADA reported today.

The meeting took place between Julio Lopez, head of the International Relations Bureau of the Sandinist National Liberation Front and Yang Baibing, deputy bureau director of the CPC International Liaison Department.

Yang is currently leading a delegation of the International Liaison Department under the CPC Central Committee on a visit in Nicaragua at the invitation of the Sandinist National Liberation Front.

The Chinese delegation, the first ever sent by CPC to visit Nicaragua, arrived here last Thursday after participating in a festival of the Mexican United Socialist Party.

ZHAO ZIYANG MEETS ANTIGUA, BARBUDA'S BIRD

OW261819 Beijing XINHUA in English 1444 GMT 26 Jun 85

[Text] Beijing, June 26 (XINHUA) -- Chinese Premier Zhao Ziyang reaffirmed here today that China was ready to establish and develop friendly relations with East Caribbean countries on the basis of the Five Principles of Peaceful Coexistence.

Zhao said this at a meeting with Lester Bryant Bird, deputy prime minister of Antigua and Barbuda, and his party at the Zhongnanhai here this afternoon.

He said that despite the geographical distance separating China and the East Caribbean, China was concerned about the situation there and hoped to see the region stable, peaceful and developed.

Zhao thanked the Antigua and Barbuda Government and leaders for their endeavors to promote the establishment of relations between China and other East Caribbean countries.

Bird, also minister of foreign affairs, economic development, tourism and energy, noted that his country had enjoyed very good relations with China, although they had established diplomatic relations not long ago, "China is a real friend of Antigua and Barbuda," he added.

Zhao Ziyang said China attached great importance to developing friendly ties with Antigua and Barbuda. "We hope the two countries will deepen their mutual understanding and develop varied ways of cooperation," he said.

Bird and his party are scheduled to leave here for home tomorrow morning.

64TH ANNIVERSARY OF CPC FOUNDING MARKED

RENMIN RIBAO Editorial

HK011234 Beijing RENMIN RIBAO Overseas Edition in Chinese 1 Jul 85 p 2

[Editorial: "Party Members Should Make Contributions in the Course of Reform"]

[Text] This is the 64th birthday of the CPC. Today, comrades of the entire party and the people throughout the country are celebrating the party's birthday in the new situation while China's economic structural reform is developing in depth.

At present, it is natural for persons inside and outside the party as well as the people throughout the country to concern themselves with reforms.

The fundamental way to develop China's economy is through reform, and China's prosperity and the development of its socialist system are determined by reform. Reforms started with the 3d Plenary Session of the 11th CPC Central Committee, and great achievements have been made in rural reform. In October last year, the 3d Plenary Session of the 12th CPC Central Committee approved the "decision on economic structural reform," thus bringing reform into a new period, that is, the period of overall reform focusing on the urban economy. Opening to the outside world and enlivening the domestic economy are reforms. Reform, opening to the outside world, and enlivening the domestic economy are related to each other and constitute a complete principle. Now, urban reform is being carried out in a planned way and step by step, an important step has been taken in price system reform, and full preparations have been made for wage system reform. Recently, the CPC Central Committee also made a decision on scientific and technological system reform as well as the educational system reform. China's reforms are proceeding in an orderly manner under the leadership of the CPC Central Committee.

China's present political and economic situations are very good. These are the results of reform. Some mistakes have occurred due to a lack of experience or consideration. This is difficult to avoid in exploration work, but the important thing is to discover problems in a timely manner, to sum up experience, and to work out a correct solution to the problems. Our party has kept a clear head in reform. On the one hand, the CPC Central Committee has fully affirmed the present excellent situation and the main aspect of reforms; on the other hand, it has pointed out the problems in this excellent situation, that is, the excessive rate of increase in industrial production, the excessive investment in capital construction, and the excessive increase in consumption funds. We must not treat these problems lightly. The CPC Central Committee has attached great importance to these problems, calling on the entire party to avoid blindly seeking growth rates, putting up false fronts, and doing things in a formalist manner. On the problem of reform, the guiding principle of the CPC Central Committee is this: While resolutely and promptly carrying out reforms, it is necessary to be careful, to look around before taking another step, and to correct mistakes as soon as they occur so as to prevent problems from piling up. As long as the entire party understands this principle well, we can certainly do a good job in reform and avoid big mistakes and setbacks.

In order to ensure the successful carrying out of reforms and the sustained, steady, and coordinated development of the national economy, it is necessary for the entire party to strengthen party spirit and to bring forward the party's line, traditions and style.

First, it is necessary to uphold the lofty aspiration of communism and to firmly establish the concept of wholeheartedly serving the people. All party members should be clear about this: China's economic structural reform is a socialist economic structural reform. The purpose of the reform is to make the country strong and the people rich. While carrying out economic structural reform and building material civilization, it is also necessary to pay attention to socialist spiritual civilization. Through the current reform, we should constantly increase the material strength of the socialist system and constantly raise the consciousness level of the people so as to create conditions for communist transition in the future.

During the reform, every CPC member should selflessly fight for this great goal. The unhealthy practices that have emerged during the reform are in essence the practices of pursuing the private interests of individuals and small groups of people and are deviations from the goal of reform, from lofty ideals, and from the fundamental goal of our party. The reform will fail if the party work style is impure. What attitude a party member adopts toward the unhealthy practices is a test for the party spirit of every CPC member. A CPC member who truly supports the reform must necessarily oppose the unhealthy practices. Engaging in unhealthy practices precisely means hindering or undermining the reform. We are now breaking the rigid economic pattern and developing commodity economy in a planned manner and on the basis of the public ownership. In doing so, we are required to act in accordance with the law of value. Under these circumstances, an improper desire to pursue commodities and money may emerge in the minds of some people and the principle of commodity exchange may even be introduced into the sphere of our inner-party political life. Therefore, stressing strengthening party spirit and serving the people wholeheartedly becomes even more important. The units that are conducting party rectification should place emphasis on solving this problem. The units that have undergone party rectification should make up any lessons missed in this respect if they have failed to satisfactorily solve this problem.

Second, we should heighten our sense of organization and discipline and correctly handle the relations between the parts and the whole. In carrying out the reform, we should enliven our economy. In order to do that, we should give our enterprises and localities certain decision-making powers and give full play to the initiative and motivation of all sectors. In doing anything and adopting any measure, an area, department, or unit should not merely consider its own interests and fail to take into consideration the interests of the whole country. Nor should it merely consider its own needs, and fail to take into consideration the possibility for satisfying its needs from the point of view of the whole situation. Even less should it pursue its own interests or the interests of small groups of people at the expense of the interests of the whole country. If things are bad for the whole country, the situation will also be hopeless for any part of it. Only by satisfactorily handling the relations between the parts and the whole, giving play to our initiative under the leadership of the CPC Central Committee, and acting under the precondition of contributing to the interests of the whole country can we really satisfactorily do the work in any part of our country. Therefore, we should stress our sense of organization and discipline. At this major turning point, we should lay even greater stress on our sense of organization and discipline. Some people hold the view that stressing our sense of organization and discipline will hinder the reform. This is an entirely wrong view. What our reform should break with is the outdated regulations and systems that fetter the productive forces, but not the sense of organization and discipline that is necessary for unifying our thoughts, policies, and acts.



In carrying out the reform, we should be well-disciplined as well as creative. We should not each act in his own way or conduct the practice of "you have your policies, and I have my countermeasures." During the most critical juncture of the revolutionary war, Comrade Mao Zedong pointed out: "There will be nothing that the revolution cannot conquer if we heighten our sense of discipline." At the critical juncture of the reform today, we should also say: "There will be nothing that the reform cannot conquer if we heighten our sense of discipline."

Third, we should conduct fewer empty talks, but do more practical deeds. At present, there are lots of new situations and problems in our country's economic life and in our reform that demand that the leading cadres at all levels go deep into reality to make investigation and study and find ways to solve these problems one by one. We should cautiously and conscientiously be deeply engrossed in our work and spend our limited time in doing practical deeds. We should conscientiously grasp what we should grasp and conscientiously handle the problems that we must handle. We should never shift our responsibilities or dodge difficulties. A comrade who is truly enthusiastic about the reform must be a man of action. All our party members should adhere to the principle of hard struggle and of practicing thrift in building our country. Only by so doing can we continue to push the reform forward and maintain and develop the fine situation.

Comrade Deng Xiaoping pointed out: "Reform is a second revolution in China." Reform is a perfection and development of the socialist system. It consists of the revolution in various sectors including the productive forces, the relations of production, the economic foundation and the superstructure, and it is an extremely broad and deep social reform that affects the material and spiritual lives of millions of people. In order to satisfactorily carry out this great reform, the firm leadership of the party and the devotion and hard work of the vast number of our CPC members are indispensable. Many of our old party members took part in the first revolution and made contributions to it. During this second revolution, they should retain the level of courage that they displayed in the previous revolution, give play to their role as pioneers and models and make new contributions. We have an even larger number of CPC members who did not have the opportunity to take part in the first revolution, but are fortunate in being able to take part in this second revolution. They should contribute more wisdom and strength. Let all of our party members do their best and make their greatest possible contribution for the smooth development and success of the reform.

#### Officials Celebrate Anniversary

OW011518 Beijing XINHUA in English 1510 GMT 1 Jul 85

["Beijing Get-Together Marks Party Birthday" -- XINHUA headline]

[Text] Beijing, July 1 (XINHUA) -- Nearly 20,000 veteran party officials and their families had a get-together in the Great Hall of the People here this evening to mark the 64th anniversary of the party's birthday.

The Chinese Communist Party was founded in Shanghai on July 1, 1921. Among them were some Chinese party and government leaders and retired officials. They saw films, watched theatrical performances, played chess and bridge. There are more than one million retired officials. Some of them are still carrying out investigations and study, providing guidance to young people or writing reminiscences.

On June 28 and 29, some retired officials watched Beijing operas, together with Chinese party and state leaders at Zhongnanhai. The gathering was sponsored by the Organizational Department of the CPC Central Committee and the Ministry of Labor and Personnel.

DISCIPLINE INSPECTION MEETING HELD ON PARTY STYLE

OW231005 Beijing XINHUA Domestic Service in Chinese 1701 GMT 22 Jun 85

[By reporters Ding Shiyi and Zhang Yanping]

[Excerpts] Beijing, 22 Jun (XINHUA) -- A national meeting to exchange experience in following a correct party work style sponsored by the Central Discipline Inspection Commission was held in Beijing today. Typical experience by some county-level responsible persons show that as long as the whole party concentrates its efforts on intensifying the education on party character and discipline and training a powerful contingent of backbone party members, we will be able to follow a correct party style, ensure continuous advance of the socialist undertaking, and promote the smooth progress of the economic structural reform.

The meeting was presided over by Wang Heshou, permanent secretary of the commission. He Guang, its secretary, spoke at the meeting. He said: The purpose of the experience-exchanging meeting is, first of all, to stress the importance of following a correct party style for promoting reform. Localities that have done a relatively good job in this respect should share their useful experiences with other localities that have failed, both in understanding and action, to correctly handle the relationship between reform and correct party style. We deem it necessary to promote reform and economic construction through following a correct party style. We should pay keen attention to building socialism both materially and spiritually. As discipline inspection workers, we should do a good job in the field of spiritual civilization in order to promote building material civilization. Second, we should sum up more useful experience in effectively conducting education on party character, style, and discipline.

He Guang said: Experiences to be exchanged at the current meeting are mainly the work of county-level units in following a correct party style. As there are more than 2,000 counties, and even more county-run enterprises in the country, the work at county level is very important. With all units doing a good job, we will have a firm guarantee for bringing about a fundamental change for the better in our party style. At present, some counties and county-level units have done a better job in following a correct party style, which has not only promoted party building but also economic construction and reform as well. However, their experiences are rather scattered and disorganized. We should, through holding the current meeting, popularize their successful experiences throughout the country and call on everyone to learn from the advanced experiences in order to bring about a fundamental change for the better in our party style as soon as possible.

Attending the meeting today were Secretaries of the Central Discipline Inspection Commission Wang Congwu, Li Chang, Ma Guorui, and Han Tianyou; responsible comrades of provincial, municipal, and autonomous regional discipline inspection commissions; responsible persons of discipline inspection commissions of central party and government organizations; and principal responsible persons of some prefectural, city, and county party committees, enterprises, and institutions.

## Meeting Closes 29 Jun

OW011006 Beijing XINHUA Domestic Service in Chinese 0914 GMT 30 Jun 85

[Text] Beijing, 30 Jun (XINHUA) -- The national conference for exchanging experiences in improving party style, sponsored by the CPC Central Committee Discipline Inspection Commission, closed in Beijing yesterday.

Chen Yun, member of the Standing Committee of the CPC Central Committee Political Bureau and first secretary of the CPC Central Committee Discipline Inspection Commission, delivered a written statement at the closing ceremony yesterday. He urged comrades throughout the party to always pay close attention to developing spiritual civilization while developing material civilization, or, in other words, to developing the two civilizations simultaneously. He pointed out that the key to developing socialist spiritual civilization is to improve the ruling party's work style, enhance the Communist Party members' consciousness in upholding party spirit, and resolutely preserve the purity of communism. It is necessary to resolutely struggle against erroneous words and actions that go against communist ideals and ethics.

Wang Congwu, secretary of the Central Discipline Inspection Commission [CDIC], presided over yesterday's meeting, at which Wang Heshou, CDIC permanent secretary, spoke. Wang Heshou said: This is the first time a national meeting is held to exchange experiences in improving party style. Attending this meeting are working cadres of discipline inspection commissions, as well as secretaries of party committees of prefectures, counties, and industrial and mining enterprises. The meeting introduced the working experience of discipline inspection commissions in all localities, as well as the experience of party committees of prefectures, counties, and industrial and mining enterprises in improving party work style. This shows that the whole party has begun to pay attention to party style. He hoped that party committees of all provinces, municipalities, autonomous regions, prefectures, and counties will earnestly attend to party style and strengthen leadership over the work of discipline inspection commissions.

Wang Heshou said: At present the whole party is confidently concentrating its efforts on reform of the economic structure and on economic construction. Comrades throughout the party have accepted it as a central task at present to ensure success in economic construction and to carry out structural reform. However, many unhealthy practices have surfaced in the course of economic construction and structural reform, thereby interfering with and undermining the smooth progress of economic construction and structural reform. Not all cadres and party committees are aware of this situation. In other words, some localities and departments only pay attention to developing material civilization while neglecting the development of spiritual civilization. We must be fully aware of this new trend of neglecting spiritual civilization. Our objective is to develop the two civilizations simultaneously, and check the trend of neglecting spiritual civilization. This is an important question that has a decisive bearing on the success or failure of developing socialist material civilization.

Wang Heshou said: Developing socialist spiritual civilization and fostering socialist social ethics is an arduous task. However, if we resolutely and steadfastly oppose unhealthy practices inside and outside the party, constantly sum up experiences and lessons while correcting unhealthy practices, and conduct education on party spirit and discipline among the broad masses of party members, party style and social conduct will improve. This has been forcefully illustrated by the experiences reported by Shanxi's Linfen Prefecture, Shandong's Chengwu County, and Shanghai No 17 municipal cotton textile mill at this meeting.



Wang Heshou said: To fulfill the major tasks of discipline inspection departments stipulated in the party Constitution, cadres of discipline inspection commissions at all levels should discard the onesided view that discipline inspection departments are solely concerned with "handling cases." They should strengthen education on ideals and discipline among party members; regard it an important task of discipline inspection commissions to build the party ideologically; adopt various methods to constantly conduct education on party spirit among party members; and improve the party members' political quality.

The national conference for exchanging experiences in improving party style, sponsored by the CDIC, summed up and exchanged the good experiences of 16 prefectures, cities, counties, and industrial and mining enterprises in checking unhealthy practices and improving party style. Their experiences serve as good examples for other localities in improving party style. Comrades attending the meeting conscientiously discussed Comrade Chen Yun's speech and the experiences reported, improved their understanding, and bolstered their confidence. They were convinced that, guided by the spirit of the 12th National CPC Congress, and with the concerted efforts of comrades throughout the party, party style will certainly improve provided party committees at all levels persist in doing this work.

Han Guang, Li Chang, Ma Guorui, and Han Tianshi, secretaries of the CDIC, attending yesterday's meeting. [Beijing XINHUA Domestic Service in Chinese at 0838 GMT on 30 June carries a public message which says: "All newspapers, please publish prominently on the first page two items transmitted today, 'The National Conference on Exchanging Experience in Improving Party Style Closes in Beijing' and 'Comrade Chen Yun's Speech at the National Conference on Exchanging Experience in Improving Party Style.' Thank you."]

#### Chen Yun Speech at Closing

OW010954 Beijing XINHUA Domestic Service in Chinese 0830 GMT 30 Jun 85

["Comrade Chen Yun's Speech at the National Conference on Exchanging Experience in Improving Party Style on 29 June" -- XINHUA headline]

[Text] Beijing, 30 Jun (XINHUA) -- 1. The Central Discipline Inspection Commission is holding a "conference for exchanging experiences in party style" to sum up good experiences in the work of party style. This is essential to further improving party style and ensuring smooth progress of the reform of the economic structure.

2. Comrades throughout the party should understand that we are working for the socialist cause and that our ultimate aim is to realize communism. This is a very important point. Under the leadership of the party Central Committee, the ongoing economic construction in our country is a...socialist...one, and the reform of the economic structure is also a ... socialist...one. Communist Party members should constantly bear in mind that we are working for socialist modernizations, not modernizations of another brand. The cause we are working for is a socialist one.

If we do not work for the socialist cause, and develop socialist material and spiritual civilization at the same time, then the efforts to develop material civilization will deviate from its correct course. Units or individuals that fail to develop socialist spiritual civilization or relax their efforts in this area will never successfully develop material civilization. In some serious cases, they may even depart from socialist and communist ideals, which is very dangerous.

3. Many Communist Party members, including some veteran party members, were involved in unhealthy practices that surfaced during the fourth quarter of last year. We should be wary about this. We should fully understand that a ruling party with a good party style is the key to developing socialist spiritual civilization. It is necessary to improve the quality of Communist Party members and to educate Communist Party members on party spirit.

4. Developing socialist spiritual civilization is a task of the whole party. The party's discipline inspection departments are charged with important responsibilities. Our comrades should resolutely check unhealthy practices, straighten out the party's style, enhance the Communist Party members' party spirit, ensure and promote socialist economic construction by developing spiritual civilization, and constantly develop socialist material civilization and reform the socialist economic structure along the correct path.

All this can be summed up in two points: 1) It is hoped that the comrades of discipline inspection departments, as well as comrades throughout the party, always pay attention to developing spiritual civilization while developing material civilization, in other words, to developing the two civilizations simultaneously; and 2) the key to developing socialist spiritual civilization is to improve the ruling party's style, enhance the Communist Party members' consciousness of upholding party spirit, and resolutely preserve the purity of communism. It is necessary to resolutely struggle against erroneous words and actions that go against communist ideals and ethics.

[Beijing XINHUA Domestic Service in Chinese at 0838 GMT on 30 June carries a public message which says: "All newspapers, please publish prominently on the first page two items transmitted today, 'The National Conference for Exchanging Experiences in Improving Party Work Style Closes in Beijing' and 'Comrade Chen Yun's Speech at the National Conference for Exchanging Experiences in Improving Party Work Style.' Thank you."]

#### XINHUA Commentary

OW011041 Beijing XINHUA Domestic Service in Chinese 0236 GMT 29 Jun 85

[XINHUA reporter's commentary: "The Key to Improving Party Style Lies in the Party Committee"]

[Text] Beijing, 29 Jun (XINHUA) -- Secretaries of county party committees and county-level factory, mine, and enterprise party committees attending a national conference for exchanging experiences in improving party style spoke at the conference on their experiences in improving party style and promoting reform in their localities. They held that to improve party style and develop reform in the correct direction, the party committee must have a leading body that has a strong party spirit, follows the correct party style, and is brave in doing pioneering work and good at carrying out reforms.

County party committees and county-level enterprise party committees are executors of the party's principles and policies. Whether or not they persist in acting on party policies, put the interests of the state and the people above everything else, and proceed from reality has an extremely important bearing on whether or not the party style in their localities or units can be changed for the better. In some localities and units last year, unhealthy trends, such as "eating working lunches" and issuing Western-style clothes or factory uniforms, occurred in the name of reform. Resisting pressure from various quarters, some enterprise party committees explained to their workers and staff that a very important task in enterprise reform was to do away with the practice of "everyone eating from the same big pot," and that "eating working lunches" and issuing Western-style clothes or factory uniforms were precisely a practice of "everyone eating from the same big pot" or everyone having his share, deviating from the orientation of reform. They explained in economic terms that at present an enterprise could financially not afford to spend hundreds of thousands

of yuan, still less 1 million yuan, to provide "working lunches" for its workers and staff or issue Western-style clothes or factory uniforms to them. Reasonable workers and staff held that they should not follow this trend. Had those party committees, instead of proceeding from the interests of the state, yielded to some people's backward demands and proceeded in the interests of some small groups, they would have won "warm applause." However, the state and the enterprise would eventually have suffered losses and that would not be beneficial to the workers and staff in the long run, and would not help bring about a turn for the better in party style and standards of social conduct.

While improving party style, leading members of the party committee should set an example and take the lead in observing party discipline and rules. If a member of a party committee asks others to act in an honest way but fails to do so himself, if he says one thing and does another, the result will be that no one will believe him no matter how much he says and what he says. The panzhihua iron and steel company achieved good economic results and made a lot of profit. But the bonus for each leading cadre of the company was about the same as the average for a frontline worker of its major mine and factory. Their spirit of being strict with themselves is an example of improving party style.

Whether a party committee member thinks of himself or of the broad masses first in dealing with some matters is an important indicator of whether or not he entertains the idea of serving the people. Housing assignments, wage readjustments, employment arrangements for young people, bonuses, and so on and so forth, all involve the immediate interests of the broad masses. If the party committee members of some unit take advantage of their power to seek personal gain for themselves or their relatives in such matters, it can be definitely said that the party style in that unit is not correct and that reforms are not effectively carried out there. The secretaries of the Wuqi County CPC Committee in Shaanxi province, the Xiaoshan County CPC Committee in Zhejiang Province, and the Changle County CPC Committee in Fujian Province attending the conference all had an intimate knowledge of things in this regard. They said: If you want to work with iron, you must be tough yourself. To have everyone follow the correct party style in a county, the leading members of the county party committee must do so first themselves. Party style and people's common practices are good in those counties because the leading members of the county party committees have never taken advantage of their powers to seek personal gain for themselves or their relatives in matters concerning the interests of the masses. This fine party style has a strong appeal and can influence, educate, and unite the masses, arouse the people's spirit of forging ahead, and bring about a favorable atmosphere of promoting healthy trends and checking unhealthy ones.

Secretaries of county and enterprise party committees attending the conference held: Some party members' and cadres' idea of serving the people has now become dim, their idea of "considering everything in terms of money" has become strong, and they lack lofty ideals. For this reason, in improving party style, basic-level party committees should set an example and play a leading and exemplary role in this regard. At the same time, they should firmly take a clear-cut stand on rectifying the various unhealthy trends and resolutely maintaining the sanctity of party discipline and the purity of party style. It is necessary to educate party members and cadres in party spirit and party discipline, to educate them to serve the people, and to improve the quality of party members in order to increase their ability to resist unhealthy trends. If we persist in doing so, we are bound to bring about a turn for the better in party style and in the standards of social conduct.



DING LING ON FREEDOM OF LITERARY CREATION

HK290209 Beijing RENMIN RIBAO in Chinese 24 Jun 85 p 7

[Report by XINHUA reporter Xu Shijie: "Ding Ling on Freedom of Creation in Literature and Art"]

[Text] The prominent writer Ding Ling recently told this reporter in Xian about her views on China's present situation in literature and art. Her opinions are summarized as follows:

## I

Writers should correctly understand the freedom of creation, as well as the differences between the party's calls on the one hand and administrative interference on the other. Provided that the contemporary writers closely and really concern themselves with the great cause of four modernizations, there is a vast world for creation. Recently, proceeding from the overall situation, the party did not pursue too much administrative interference in literature and art. Over the past 2 years, quite a large number of new people and new works have emerged. Furthermore, many of them are good works and promising writers. Such a situation would be impossible if there had been too much administrative interference. The reality in the literature and art circles has fully shown that since the 3d Plenary Session of the 11th CPC Central Committee, the party's line, principles and policies, including the decisions concerning literature and art, are perfectly correct.

It is indeed worth discarding the administrative interference which violates the rules of literary and artistic creation. However, the party's calls are different from its administrative interference. Through these calls, the leads writers to become concerned with the well-being of the people, to reflect the times, and to reflect the people's lofty ideal of taking part in the four modernizations and reforms. It also shows the writers the most vast world of creation. Therefore, this has shown that the party cherishes and is concerned for writers. It is not difficult to assume that if our writers are divorced from the exciting life of joining the four modernizations and reforms and are only concerned about trifles in a small courtyard, in a street, or seen through a small window, their freedom of creation can only be freedom in a small world. On the other hand, if you have gone down to the realities and gathered source material, nobody will interfere with the characters or style of the work that you write.

If a writer does not emancipate his mind, it is impossible for him to enjoy true freedom of creation. If you care whether or not the chief editor will like your work, or whether or not your work will win a prize, or if you try to acquire the knack of doing something whenever you pick up a pen, it will be difficult for you to enjoy freedom. So-called freedom of creation can be realized only when the writer really understands society, understands life, really grasps the pulse of the times and the essence of the objective world, really understands policies, and is good at analysis. Only thus can the writer be likened to a fish in water, become invincible, and freely play an outstanding role in the world of creation. But if you know nothing about water and cannot swim, you will have no freedom in water. The freedom of players in ball games is within the four side lines. Once the players go beyond these lines, they will have no freedom.

## II

On creation and criticism, we must let a hundred flowers blossom and a hundred schools of thought contend. There should be freedom of creation and criticism, and we should allow the practice of criticizing counter-criticism. When discussing works, the Shaanxi Provincial Federation of Literature and Art Circles set rather strict demands and criticized some of the works while commending others. This is the right way of making the undertaking of creation prosperous. If a writer does not allow people to criticize his work and stamps his foot with fury whenever he hears a word of criticism, he will accomplish nothing. Our bimonthly magazine on literature, ZHONGGUO, conscientiously implements the principle of letting a hundred schools of thought contend. It neither engages in any factional activities nor does it discriminate against others. It publishes works written by veteran writers and poets, as well as those by followers of the modernist school.

Though some people claim that they are followers of the modernist school, they are, in fact, not really followers of the school. In addition, their works are not necessary genuine works of the modernist school. Often, they flaunt the banner once they have only a superficial knowledge about the modernist school. We may test them and create conditions for being examined by the masses. I believe that they will constantly make progress through exploration. Yu Luojin [6657 5012 6930] has written both good and poor articles. "A Winter Fairy Tale" is a good one, but "Spring Fairy Tales" is a poor one. Those poor works should be criticized, and she has recently also acknowledged the advantage of criticism. Recently ZHONGGUO published an article written by her, which has aroused strong repercussions and different opinions. Generally speaking, however, it seems that the advantages outweigh the disadvantages, and we gain more than we lose. Yu Luojin has lately gone to the PLA units to write more articles. If she can really spend more than 2 years' time with the troops, widen her field of vision, and go down to realities, she will still have a bright future.

## III

Writers must pay attention to carrying forward China's national traditions and style. In China, the traditional novel with each chapter headed by a couplet giving the gist of its content is the traditional form of novel literature. For examples, "The Romance of the Three Kingdoms," "The Water Margin," and the "Dream of the Red Chamber" are popular among China's youths. We must be determined to write "The Romance of the Three Kingdoms" and "The Water Margin" of modern times. So long as you really know life well and can present China's style in the traditional national form, you can choose any subject matter: wars, the four modernizations, love affairs and so on. Foreigners cherish our literature and art works so much that they treat them as treasures. On the other hand, some of us look down upon ourselves, throw away our treasures and adopt things of foreigners. Chinese novels tell stories, which reflect typical figures, typical characters, typical environment, and typical language. When describing the muddle-headed Ah Dou, the writer portrayed most vividly the image of an incompetent head of state who "indulged in pleasure in Shanxi but forgot home and duty in Sichuan" just by writing a dialogue of Ah Dou at a banquet held by Sima Chao. Such a traditional technique of the Chinese novels is similar to the customs of Chinese people. The Western techniques such as montage are pulsatory things which have been used to excess and are not suitable for Chinese people.

BAN YUE TAN ON DEMARCATION LINES IN REFORM

HK290115 Beijing BAN YUE TAN in Chinese No 11, 10 Jun 85 pp 7-9

[Reply from BAN YUE TAN Economic Editorial Office to readers' letters: "There Is No Change in Policy, Clear Lines of Demarcation Are Necessary"]

[Text] As is reflected by letters from our readers, in the process of overcoming new unhealthy practice, as some areas have failed to draw clear demarcation lines between rights and wrongs, the following two problems have cropped up: Some people dare not deal with cases that are obviously unhealthy practices or to vigorously correct the unhealthy practices, for fear that this will be regarded as opposing the reform; others regard the unavoidable shortcomings and errors in the process of the reform as unhealthy practices and put the blame on the cadres who are filled with the spirit of reform, with the result that some of the people's minds become confused and they wonder whether there is any change in the party's policy on enlivening the economy.

This is a major problem worth attention. We hold that we should give a clear answer: There has not been nor will be any change in the party's policy on enlivening the economy. We must firmly correct the unhealthy trends and we should carefully protect the achievements of our reform. We should not throw away the baby with the bath water.

Just as Premier Zhao Ziyang pointed out in his government work report to the Third Session of the Sixth NPC: "The principle that guides our acts in carrying out the reform should be: Be firm and unshakable, be careful in the initial battle, and be sure to win." This shows that we are not retreating but are forging ahead in carrying out the reform and opening up to the outside world, and that correcting the unhealthy trends is aimed at enabling the reform to be smoothly carried out. Therefore, we should firmly, unshakable, and satisfactorily carry out the reform as well as conscientiously correct unhealthy practices. For this, it is necessary to proceed from reality, specifically analyze actual problems, and draw demarcation lines between enlivening the economy and causing disorder in our economy and between rights and wrongs.

A fundamental starting point for us in distinguishing between the practice of enlivening our economy and that of causing disorder in our economy and between rights and wrongs is that we should look into the question of whether the acts are aimed at the interests of the state and people, whether the mistakes have only been caused by lack of experience, and whether party discipline and state law have been disregarded in a bid to promote the private interests of some individuals or small groups of people. Starting from this point, in our work, we should clearly draw the following demarcation lines.

First, we should draw a demarcation line between the requirement that all orders and bans must be faithfully implemented and the practice of persisting in carrying out the reform. In correcting unhealthy practices, we must ensure that all orders and bans are faithfully implemented, but we should not thus negate people's initiative and creativity in proceeding from reality in implementing the policies of the central authorities. The whole country should act in unity and we should not have everyone going his own way in carrying out major reforms related to wages and prices. However, under the precondition of adhering to the party's general principles, we should allow people to conscientiously explore ways for reform in things which have been proved by practice to be irrational.



We should not think that the requirement that all orders and bans must be faithfully implemented means that we should wait for detailed "instructions" from the upper levels for any practice of reform in any field.

Second, we should draw a clear demarcation line between indiscriminate price hikes and the price readjustment that is carried out in accordance with the regulations of the state. Opposing the unhealthy trend of indiscriminate price hikes does not mean that we should, therefore, deny an enterprise's legal right to fix floating prices for the products it sells. The prices that are fixed within the scope allowed by the regulations of the state and that are approved by the price departments, or the prices that the state allows to be fixed in light of market situation, should not be regarded as indiscriminate price hikes. We should immediately correct the practice of taking advantage of the price readjustment of pork and other agricultural and sideline products to indiscriminately increase prices and charge fees in violation of the regulations of the state.

Third, we should draw a clear demarcation line between indiscriminate wage increase and the implementation of the floating wage system in accordance with the regulation of the state. When an enterprise or institution implements diverse forms of contract responsibility system with remuneration linked to output or profits or with an hourly rate or piece-rate wage system, it is allowed to pay floating wages without exceeding the quota for its total wages or to let the wages of its staff and workers float up in accordance with state regulations if it has satisfactorily executed the responsibility contracts. This should not be regarded as a practice of indiscriminately increasing wages. However, if an enterprise has poor economic results or even suffers losses but falsifies its accounts to allow the wages of its staff and workers to float up in violation of financial discipline, that is a malpractice that we must correct.

Fourth, we should draw a clear demarcation line between indiscriminate and justified payments of bonuses. If an enterprise allocates bonus funds or retains a share of profits for bonus payment in accordance with the regulations of the state or in accordance with the responsibility contracts that it has fulfilled, if the source of the bonus payment is proper, and if it has paid bonus taxes in accordance with the regulations, it is allowed to pay even a relatively large sum in bonuses, and this should not be regarded as an unhealthy practice. However, if an enterprise encroaches on the interests of the state or consumers, if the source for the bonus funds is improper, if it pays bonuses out of its production development funds, new product trial-production funds, staff and worker welfare funds, or reserve funds, or if it pays duplicate bonuses beyond the scope allowed by state regulations or the terms of its responsibility contracts, it has committed a malpractice that must be corrected.

The practice of paying a larger amount of bonuses or big rewards to and promoting, in accordance with stipulated procedures, those who have made great contributions in conducting inventions and technological renovation, tapping latent potentials, conserving energy, conducting trial-production of new products, improving product quality, and raising economic results should not be regarded as an unhealthy practice of indiscriminately paying bonuses, indiscriminately increasing wages, or doing an improper rush job of promoting cadres.



Fifth, we should draw a clear demarcation line between the malpractice of party and government organizations being engaged in trade and the practice of units of these organizations establishing tertiary industrial enterprises to provide job opportunities for the children of their staff and workers. The practice of party and government organizations establishing enterprises to provide job opportunities for the children of their staff and workers or enterprises (such as printing houses, small shops, bathhouses, and barbershops) to provide service for these should not be regarded as an unhealthy practice of party and government organizations being engaged in trade and running enterprises, as long as these enterprises operate as independent accounting unit, shoulder sole responsibility for their own profits and losses, and are entirely separated from the party and government organizations concerning their labor, financial, and material resources and in their production, supply and marketing operations. However, we must correct the malpractice of party and government cadres reselling materials and goods in short supply to earn profits or taking up posts in enterprises to interfere in the management activities of the enterprises, receive share dividends, and be paid salaries and bonuses from the enterprises in addition to the salaries and bonuses that they are paid by the party and government organizations.

Sixth, we should draw a clear demarcation line between the malpractice of squandering and wasting public money in giving banquets and gifts and the necessary entertainment expenses in economic contacts and in dealings with foreign nationals or organizations. We should distinguish the necessary entertainment in our normal economic contacts and dealings with foreign nationals or organizations from the malpractice of spending public money to give gifts, commit bribery, and hold sumptuous banquets. For example, the necessary entertainment that is given in discussing business, signing contracts, acquiring technological advice, inviting specialists to give lectures, and conducting external economic activities and dealings with foreign nationals or organizations, and the banquets that an enterprise gives when it is advertizing its products and dealing with foreign businessmen, should not be regarded as unhealthy practices. Of course, we should also pay attention to thrift.

In short, we should justly and forcefully persist in doing what is proper and legal, promptly correct what does not conform to the policies, and resolutely investigate and handle, in accordance with the law, any cases of violation of the law and discipline, in order to attain the goal of promoting the reform and enlivening our economy.

RENMIN RIBAO DIRECTOR ON NEW OVERSEAS EDITION

HK020335 Beijing RENMIN RIBAO Overseas Edition in Chinese 1 Jul 85 p 2

[Article by RENMIN RIBAO director Qin Ghuan: "To Overseas Readers"]

[Text] RENMIN RIBAO begins publication of its overseas edition on 1 July 1985. This is a small gift dedicated to our dear ones and friends abroad. From now on, a new channel exists for the exchange of views between us and Hong Kong and Macao compatriots, Overseas Chinese residing abroad, and friends of all countries.

Since the birth of New China, we have never forgotten our Hong Kong and Macao compatriots, Taiwan compatriots, and Overseas Chinese scattered all over the world outside mainland China. For various reasons, we have not, over a long period of time, been able to open an appropriate channel to disseminate news concerning mainland China better and more quickly to our dear ones and friends abroad, which they have shown concern about.

We have often been sorry about it. Since China adopted the policy of opening up to the world, we have found it necessary to change this situation. The tremendous changes that have taken place in China's political, economic, cultural, and social life have roused the great interest of more and more of our friends abroad in understanding China, and the ever growing concern and nostalgia of Overseas Chinese and Chinese nationals residing abroad. This has urged us to be determined to improve our overseas newspaper reporting. And we have decided to publish the RENMIN RIBAO overseas edition, with our overseas readers as our chief target, to suit to the urgent demands the new situation has set on us.

The RENMIN RIBAO overseas edition will be edited in Beijing, and printed separately in Tokyo, New York, San Francisco, Paris, Hong Kong, and Beijing in the original complex form of the simplified Chinese characters, and it will be circulated in various places at home and abroad. Its purpose is to serve overseas readers in utmost sincerity, and to be their bosom friend. This is our sincere wish as well as the doctrine of our work. The overseas edition will carry important domestic and world news and important speeches carried in RENMIN RIBAO and other newspapers at home, cover China's domestic and foreign policies during the new historical period and the conditions of their implementation, disseminate China's reform measures in all fields and the changes they have brought about day after day, and promptly and accurately provide our overseas readers with updated information concerning China, which they show a concern for. It will give expression not only to the various achievements in China's reconstruction, but also various problems emerging in our work and the criticisms and suggestions of the people. At the same time, it will faithfully relay the voices of our overseas readers, and will actively provide services and consultation for our overseas readers. We will strive to make the RENMIN RIBAO overseas edition rich and colorful, vivid and vigorous, and do our best to make its form, essence, and style suit the tastes, needs, and habits of our Hong Kong and Macao compatriots, Overseas Chinese, and foreign friends, and to make it a genuine friend of our overseas readers.

We know well that it will not be easy to fulfill the requirements mentioned above, because we lack experience in running an overseas newspaper; however, we are confident of doing a good job of the overseas edition. It is our earnest hope that our friends abroad will feel free to make suggestions and criticisms regarding our work, and will help us so that we may continuously improve it.

China's door is now open, and will continue to open wider. The RENMIN RIBAO overseas edition has broad prospects, and will become an important link for China to disseminate news abroad, and an important link for Overseas Chinese and Chinese nationals abroad to find sustenance in their hope and nostalgia for the motherland and their home villages and for all our foreign friends to deepen their understanding of China. That is our undertaking, and it will inevitably become one of common concern among our foreign friends. We will do our utmost with your help to run well the RENMIN RIBAO overseas edition, and to make it satisfactory to our dear ones and friends.

OFFICIAL ON CONTROLLING 'PARALLEL GOODS'

HK020304 Beijing ZHONGGUO XINWEN SHE in Chinese 0715 GMT 27 Jun 85

[Text] Beijing 27 Jun (ZHONGGUO XINWEN SHE) -- According to a 27 June report in GUOJI SHANGBAO, Wang Pinqing, a representative of China's Ministry of Foreign Economic Relations and Trade, stated at a meeting held recently that since the implementation of controls on the distribution of quotas and export licenses for fresh and frozen foodstuffs, the disturbance of normal trade by "parallel goods" has been greatly reduced, to the satisfaction of Hong Kong sales agents. However, some problems still exist.

Analyzing the flood of "parallel goods" into Hong Kong some time ago, Wang Pinqing pointed out its major causes: the absence of quota certificates; the conversion of export licences into negotiable securities, which are marketable and transferable; the alteration of prices or offers of discounts to Hong Kong businessmen in private, upsetting the stipulated minimum prices; and declaring less than the actual volume to customs.

According to Wang Pinqing, implementing the control of quotas and export licenses is an effective measure to ensure stable supplies, to improve marketing, and to obtain more foreign currency by selling those commodities at good prices. The distribution of quotas from now on should be based on the principle of occupying and maintaining the Hong Kong and Macao market with good-quality commodities. Those good quality varieties which produce more income in foreign currencies will be given higher quotas; otherwise, commodities will be given fewer or no quotas at all; thereby, all ports and departments supplying commodities are moved to improve their skills; to strengthen their management, and to upgrade the quality of their commodities, making them suit the higher level of the Hong Kong and Macao market. Localities sabotaging the controls on the distribution of quotas and export licenses and cases of violating the law by speculating in export licenses will be severely dealt with, in order to ensure the implementation of this system.

OFFICIAL ON RESETTLING RETIRING PLA CADRES

OW011349 Beijing XINHUA Domestic Service in Chinese 1427 GMT 29 Jun 85

[Text] Beijing, 29 Jun (XINHUA) -- In an interview with XINHUA reporters recently, a responsible person of the Ministry of Labor and Personnel said: Our government has decided to reduce the Army's strength by 1 million. Labor and personnel departments at all levels must enthusiastically assist the Army in carrying out this major strategic policy decision on time. The task of making arrangements for placing the several hundred thousand Army cadres to be transferred to civilian jobs has now begun. The first group should be placed by the latter half of this year.

He said: The Army's restructuring, streamlining, and reorganization necessarily require the discharge from active service of a large number of Army cadres. Making proper arrangements for placing these cadres is an important measure in implementing the instructions of the CPC Central Committee, the State Council, and the Central Military Commission and the strategic policy decision on the Army's restructuring, streamlining, and reorganization. The "military service law of the PRC" clearly stipulates: "The state properly arranges for the placement of military officers discharged from active service" and "Soldiers discharged from active service should be respected by society and given preferential treatment by the state and the people." Making proper arrangements for the placement of Army cadres transferred to civilian jobs is a major task having a bearing on the overall situation and an unshirkable duty of labor and personnel departments. We must consciously do a good job in this task.



He pointed out: The general principle in making arrangements for the placement of Army cadres to be transferred to civilian jobs is to do so very properly in accordance with the needs of the state's economic and national defense construction and the stipulations of the "military service law", ensuring that everyone is in his proper place to display his abilities as best as possible. In short, we must warmly welcome them and make proper arrangements for placing, patiently cultivating, and reasonably using them. Technically speaking, in assigning jobs to them, they should be returned to their native places or to the provinces, autonomous regions, or municipalities directly under the central government where they joined the Army. They should be assigned to basic-level units of all industries and trades. Newly established or expanded units should accept more of them. As for accompanying family members holding jobs at the time of transfer, they should in principle be assigned to similar units of the same ownership whenever possible. The educational departments at all levels must arrange for the children's schooling. As for the housing problem, it must be solved effectively, mainly with local financial resources and central government subsidies, depending on the state's financial condition.

The responsible person said: The transfer from the military to the localities is a tremendous change indeed. Army cadres to be transferred face the problem of having to learn new things. Therefore, it is quite necessary to give them professional training. Comrade Deng Xiaoping has clearly pointed out that in education and training, the Army must prepare conditions for cadres to work in localities by conducting various kinds of professional training for cadres leaving the Army due to reduction in force. Experience shows that it is a key link in placement and a common task for the military and the localities to give transferred cadres pertinent training. Because the number of Army cadres transferred to civilian jobs in the past few years has been quite large and their educational level greatly varied. We should conduct training through many channels, at various levels, and in various forms in addition to requesting the military to conducting pertinent training well. The military and the localities will also jointly establish training centers, gradually changing rotary short-term training to regular training and rudimentary education to systematic education.

The responsible person of the Ministry of Labor and Personnel said in conclusion: Making arrangements for the placement of the several hundred thousand Army cadres to be transferred to civilian jobs is a political as well as a wide-ranging organizational task of policy nature. Therefore, coordination and cooperation among the departments concerned are needed to jointly overcome the various difficulties.

#### ORDNANCE INDUSTRY MINISTER ON WEAPON IMPROVEMENT

HK010553 Beijing ZHONGGUO XINWEN SHE in Chinese 1210 GMT 30 Jun 85

[Text] Beijing, 30 Jun (ZHONGGUO XINWEN SHE) -- When interviewed by this reporter, Zou Jiahua, who was appointed Minister of Ordnance Industry on the occasion of China's decision to reduce its Army by 1 million men, said: "China has reduced the number of its troops but it has set higher demands on the performance and quality of weaponry. That is to say, it has set higher demands on the ordnance industry. We shall perseveringly develop and improve the weaponry of our Armed Forces and build up a modern Army with excellent quality."

The new minister disclosed that China will develop a number of new weapons with advanced performance and outstanding quality in the fields of antitank and anti-aircraft weapons, tanks, and neutralizing weapons so that the weapons and equipment of the Chinese Armed Forces can form a complete set in firepower, assault capabilities, and maneuverability.

The 58-year-old Zou Jiahua is the eldest son of Mr Zou Taofen, a noted Chinese newspaperman and a person involved in the "seven-gentlemen incident." Having worked for a long time in the scientific research department of national defense, he is an expert familiar with the machine-building and ordnance industries. Talking about the switch of military technology to civilian production, Zou Jiahua said: "In peace time, the demand for and production of weapons are limited. Our primary task at present is to develop the national economy. Therefore, we should concentrate our main production capabilities on the development of civilian products."

During the Seventh 5-Year Plan period, the civilian products to be mass produced by the Ministry of Ordnance Industry will be high-grade durables, including cars, motorcycles, household electrical appliances, and cameras, as well as products urgently needed by the state, such as energy, communications, chemical industry, building materials, and optical and electric instruments. At the same time, measures will also be taken to open up technological markets and to speed up the switch from military technology to civilian production.

Zou Jiahua emphatically pointed out that China's ordnance industry should energetically develop foreign trade and adopt flexible ways to consolidate the existing markets, to strengthen sales promotion, and to vigorously develop new markets. It is necessary to adopt methods of combining technology with trade and policies favorable to imports and exports, to increase the export of civilian products, to quicken the pace of technology importation, to vigorously carry out joint ventures, cooperative production, processing of imported materials, and compensation trade with foreign businessmen. In conclusion, the minister expressed his warm welcome to foreign businessmen and experts who invest or cooperate in developing China's ordnance industry.

#### NEW COAL INDUSTRY MINISTER YU HONGEN INTERVIEWED

HK280629 Beijing ZHONGGUO XINWEN SHE in Chinese 1108 GMT 26 Jun 85

[Report by Zhou Xiao: "Interview With Yu Hongen, the Newly Appointed Minister of Coal Industry"]

[Text] Beijing, 26 June (ZHONGGUO XINWEN SHE) -- Yu Hongen has come back from Shaanxi and Shanxi Provinces. A few days ago when the 11th Meeting of the NPC Standing Committee decided to appoint him minister of coal industry, he was accompanying Hu Yaobang, general secretary of the CPC Central Committee on an inspection tour of the Shen Mu coalfield in Shaanxi Province and the Ping Hu coalfield in Shanxi Province.

These two coalfields are big, high-quality coalfields which China is planning to open up through cooperation with foreign countries. When talking about the Shen Mu coalfield, which has over 80 billion tons of high-quality coal reserves, Yu Hongen said: "We have already held talks with three American companies and a French company. The key in opening up the coalfield is transportation. First of all, we should build a railway line. The relevant department has an idea about building a Shenda-Shijiazhuang-Shijiusuo railway to open up a channel for exporting the Shen Mu coal and for transporting the Shen Mu coal to the eastern coastal cities which are open to the outside world."

Yu Hongen was very confident about the construction of the Ping Hu coalfield. The Antaibao opencut coal mine of the Ping Hu coalfield has been jointly constructed by China and America's Occidental Petroleum Company. Commenting on the latest developments of the Sino-American cooperation, Yu Hongen told the reporters: "The negotiations have been completed. The cooperation contract will be signed on 29 June this month. On 1 July, the biggest joint venture project in our history will start."

At present, 70 percent of China's energy resources come from coal. As minister of coal industry, Yu Hongen feels that he has a serious responsibility. The 57-year-old Yu Hongen has dealt with coal for decades. When he was only 15 years old, he worked as a coal miner at the Hegang coal mine in Heilongjiang. In 1956, he was a student majoring in mining at the Beijing Mining Engineering Institute. Yu Hongen was once a team leader at the operation area of a coal mine, a pit chief, a mine chief, chief of the Mining Bureau, deputy chief of the Heilongjiang Provincial Coal Administration Bureau, and vice minister of coal industry. He has walked steadily up to the leadership.

The new minister, who originally comes from Shandong Province, was full of confidence when he talked about the development of China's coal industry. He said: "In the Seventh 5-Year Plan, which will begin next year, the Ministry of Coal Industry will undertake two major tasks: One is to realize an annual increase of 40 million tons of coal in the coal production output and realize an annual production output of 1 billion tons of coal by the year 1990. The other is to accelerate the modernization of the coal industry and carry out the depth processing and comprehensive use of resources."

Yu Hongen stressed that in order to accomplish the two tasks, China's coal industry should be further opened to the outside world, invite foreign funds, and import advanced foreign technology, equipment, and techniques. He said that during the period of the Seventh 5-Year Plan, the Ministry of Coal Industry will carry out full-scale construction of the joint venture projects. Apart from starting this year the construction of the Antaibao opencut coal mine of the Ping Hu coalfield in Shanxi, which is a Sino-American joint venture, and the construction of the Bailong coal mine in Huoma, Shanxi Province, which is a Sino-Romanian joint venture, the Ministry of Coal Industry will also carry out construction of the No 2 mine in Jining, Shandong Province, which is a Sino-British joint venture and construction of the Donghuancha coal mine in Kaichai, which is a Sino-West German joint venture, during the period of the "Seventh 5-Year Plan." The loan provided by the World Bank to the coal mine in Luanchang Village, Shanxi Province will be effective on 20 July, 1985. The \$1 billion energy loan provided by Japan's Import and Export Bank and the loan provided by the World Bank to the Chengzhuang coal mine in Jincheng, Shanxi Province will play an important role during the Seventh 5-Year Plan period.

Finally, Yu Hongen said that China will import advanced technology and equipment from foreign countries to change the backward situation in the fields of comprehensive use of resources and depth processing of the Chinese coal industry. The Harbin gasification plant has already signed an agreement with East Germany and will import East German equipment and technology to carry out its transformation. China is also planning to build a chemical plant which will be able to handle 1 million tons of coal per year through cooperation with other countries.

#### YU GUANGYUAN ON DISTINCTIVE LAW OF PRICES

HK280753 Beijing JINGJIXUE ZHOUBAO in Chinese 16 Jun 85 p 1

[Report by Shen Peijun: "Yu Guangyuan Holds That Socialism Has Its Distinctive Law Governing Prices"]

[Text] The price reform is an important part in the reform of the economic structure. The question of price has become the most sensitive "hot spot" and the concern of the whole society. Our readers will surely want to know what economists think about the question of price.



During the 4th week of the Beijing forum on economics which was held on the last 10 days of May, in the speech entitled: "The Question of Price in Political Economics," the famous economist Yu Guangyuan said that socialism has its distinctive law governing prices.

Yu Guangyuan believes that the nature of prices is the relations concerning the property and interests among the people. That commodities are bought and sold according to the principle of exchange at equal value is only accidental, temporary, and relative. That commodities are bought and sold not according to the principle of exchange at equal value is necessary, frequent, and absolute. Political economy should emphasize this common phenomenon of exchange at unequal value. If people always think that the price must be equal to the value, people will easily lump together price and value, because the law of value differs from the law of price. In the past, we conducted very little research into the law of price. The law of value is a general law governing commodity production. Under different social systems, there are different laws governing prices. In simple commodity production, prices can be set on the basis of values and can fluctuate around the values. In free capitalist commodity production, prices are set directly on the basis of production prices, and actually fluctuate around the production prices. Monopoly capitalist commodity production has a distinctive law governing prices. Socialist commodity production also has a distinctive law governing prices, which is different from the one in simple commodity production and the one in capitalist commodity production. We should study the law governing prices in socialist society in light of the actual conditions of socialist society. We should grasp the law governing prices in socialist society by conducting the research on the particularity of the production relations in socialist society.

Yu Guangyuan said that in order to study the question of price in socialist society, we should first of all study interpersonal relations in socialist society. The most fundamental relations are the relations among workers, the various socialist economic organizations, and the socialist state. To study the question of price in socialist society is actually to study the relations concerning the interests among individual workers, economic organizations, and the state, among individual workers themselves and among the economic organizations themselves respectively. Our country's price problem and non-socialist factors have made the relations concerning the interests among the people more complicated. So we should conduct specific research on the question of price. Now we emphasize much more on price policy than on the law governing prices. We talk too much about the factors which are controlled by the will of the people rather than on the factors which are not controlled by the will of the people.

Yu Guangyuan held that although there is a limit as to how far price can deviate from value, once price deviates from value, from the viewpoint value, the buying and selling of commodities are actually a kind of redistribution of property. It is very important to do research on the question of price, which is actually a question of relationship of interests, and to know the actual extent to which price can deviate from value.

On the research method, Yu Guangyuan pointed out that we should conduct a combined overall "price-policy-interests" research on the present price system and on various other alternative price systems, set up the models to scientifically describe the various kinds of relations concerning interests, which are determined by the price system and appraise the price system in light of the theories of political economy concerning socialism so as to discover the law governing prices in socialist society.

3D SESSION OF 6TH JIANGXI PEOPLE'S CONGRESS OPENS

OW271141 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 23 Jun 85

[Text] [In progress] Liu Bin, president of the Jiangxi Provincial Higher People's Court, and Chen Keguang, procurator general of the Jiangxi Provincial People's Procuratorate.

At 0830, Ma Jikong, executive chairman of the meeting and chairman of the Jiangxi Provincial People's Congress Standing Committee, declared the Third Session of the Sixth Jiangxi Provincial People's Congress opened. After the playing of the national anthem, he invited Governor Zhao Zengyi to make a report on the work of the Jiangxi Provincial People's Government.

[Begin recording] Fellow deputies: At the Third Session of the Sixth NPC, in his government work report Premier Zhao reviewed the current economic situation and the reform of the economic structure. The Third Jiangxi Provincial CPC Congress held not long ago (?also discussed) the principles, tasks, objectives, and other work (?in Jiangxi's economic) development. We should (?follow) the guidance of the party, keep current needs firmly in mind, and earnestly accomplish the work of reform so as to develop a gratifying situation. [Words indistinct] modernization. In this regard, I would like to present a report on the work on the government for your deliberation. [end recording]

The report on the work of the provincial people's government is divided into two main parts. The first part deals with the economic situation in the past year, the second part with the new tasks for 1985. In the first part of the report, Zhao Zengyi said: In 1984, under the leadership of the CPC Central Committee, the State Council, and the Jiangxi Provincial CPC Committee, owing to the direct guidance and loving attention of the central leading comrades, and using party rectification as a driving force, we made vigorous efforts in carrying out two great tasks, economic reform and opening to the outside world. Thanks to the joint efforts exerted by the people throughout the province, tremendous successes were achieved in building socialist material and spiritual civilization. There was sustained, steady, and coordinated development of the economy. In agriculture, another overall bumper harvest was reaped for the sixth consecutive year. With the overfulfillment of industrial quotas, good economic results were achieved in industrial production. Returns from investment in capital construction projects were higher, and construction of key projects was accelerated. There was a breakthrough in opening to the outside world. Financial revenues increased substantially. Urban and rural markets were brisk, and the people's livelihood was further improved. New progress was made in the development of science, education, culture, public health, sports, and other work. The basic tasks set by the Second Session of the Sixth Jiangxi Provincial People's Congress for the province's economic and social development in 1984 were successfully accomplished. The targets set in the Sixth 5-Year Plan, including those for total industrial and agricultural output, national income, revenues, total turnover of retail trade, and enrollment of students in schools of higher education, as well as for output of food, rolled steel, and 34 other major industrial and agricultural products, were fulfilled or overfulfilled ahead of time. Nineteen eighty-four was a year of achieving the best results in all fields of construction. Even more gratifying was the fact that several major changes took place in Jiangxi's economic situation:

First, economic returns were conspicuously higher. The 10 composite dynamic economic indicators of industrial production, which are subject to state examination, were among the highest in the nation, comparable only to those of a certain municipality. Following the increase of 100 million yuan in 1983, revenues in 1984 increased by 200 million yuan.

Second, economic development was accelerated. The gap between Jiangxi and the nation as a whole narrowed. The province's industrial and agricultural output value in 1984 was 13.3 percent higher than in the preceding year, approaching the national average.

Third, rural production was restructured in an efficient manner. There were noticeable improvements in two fields where development had been slow.

Fourth, production of consumer goods increased considerably. The relationship between light and heavy industry became increasingly more coordinated.

Fifth, major progress was achieved in opening to the outside world. The closed economy which existed over a long period of time was being replaced by an open economy. The province also developed multilateral and multilayered cooperation relations with four other provinces and one municipality, and relations among all parts of the province and among the various trades and professions were also strengthened. Significant breakthroughs were also made in using foreign capital and importing technology.

Sixth, initial success was achieved in educational reform. Further headway was made in gearing scientific and technical research to economic construction.

The major changes mentioned above are not only significant for the current economic development, but will also have far-reaching effects on Jiangxi's economic rejuvenation.

In the second part of his report, Zhao Zengyi said: Our tasks for 1985 will be to study and implement the decision of the 3d Plenary Session of the 12th CPC Central Committee; to carry out sweeping economic reform, with the focus on the urban economy; to uphold the guiding principle of making resolute efforts, exercising caution in fighting the first battle, and striving for success; to put reform in command of all economic work; and to make sure that the four modernizations will proceed smoothly. The specific requirements are: In addition to achieving better economic returns, we must stress the production of consumer goods; firmly improve the operation in two fields, economic diversification and rural industrial development; pay attention to construction in economically backward areas; and achieve conspicuous progress in five areas: feed and fodder grass production, animal husbandry and aquatic production, food packaging, textile and clothing industry, and production of household electrical appliances.

To accomplish these tasks, we must, first of all, strengthen macroeconomic management to ensure sustained, steady, and coordinated economic development. We must have a unified understanding of these important economic issues: First, we must persist in achieving better economic returns, especially in the first 2 years, regarding this as the first and foremost task of all economic work; second, we must step up operations in the sphere of commodity circulation, and do a good job in meeting urban and rural market needs; third, we must earnestly implement the various state measures for strengthening control and management of macroeconomic activities in order to ensure normal and sound economic development; fourth, we must firmly combat unhealthy practices, making sure that all orders and prohibitions are strictly enforced.

Moreover, we must exercise caution in fighting the first battle, ensure smooth progress of all reforms, and waste no time in pushing forward the various reform projects. This requires us to further revitalize our enterprises, restructure rural production, reform the pricing system, reform the wage system, restructure the management of scientific and technical personnel, reform the educational system, be more daring in opening to the outside world, and effectively improve government operations.



Zhao Zengyi pointed out in his work report: Building a socialist material civilization is a strenuous task. We must accomplish this by exerting all-out efforts. Likewise, we must never slacken our efforts in building socialist spiritual civilization. We must persist in building these two civilizations at the same time. The five stresses, four beauties, and three loves are good measures for building socialist spiritual civilization. We must earnestly sum up our experience in this area, set up typical examples, commend exemplary units and individuals, popularize these activities throughout the province, enrich these activities, and make them livelier and better.

At present, we must educate the masses on the legal system so as to popularize legal knowledge among them. It is particularly important to step up ideological and political work in building socialist spiritual civilization. An important aspect in today's ideological and political work is to deepen education in ideology and heighten the sense of discipline. Without exception, urban and rural areas throughout the province must carry out this education, making sure that it becomes an activity of all the people.

Zhao Zengyi concluded: [Begin recording] Fellow deputies: We are now living in a great era of rejuvenating China. Our burden is heavy and the road is long [words indistinct]. However, as long as we rally together, work with one heart and one mind, exert strenuous efforts, dare to press forward, we can certainly accomplish our mission and write a new, brilliant chapter in the course of achieving the four modernizations. [applause] [end recording]

Present at the meeting as observers today were members attending the Third Session of the Fifth Jiangxi Provincial CPPCC Committee; members of the provincial government; vice presidents of the provincial higher people's court; deputy procurator generals of the provincial people's procuratorate; deputies of the Sixth NPC who were in Jiangxi; and vice chairmen of the standing committees of people's congresses of various cities, counties, and districts directly under the jurisdiction of cities.

#### New Governor, Others Elected

OW020538 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 1 Jul 85

[Beijing XINHUA Domestic Service in Chinese at 1519 GMT on 1 July carries a 140-word report on the 1 July meeting of the Third Session of the Sixth Jiangxi Provincial People's Congress which allows for the STC's in the following item]

[Text] The fourth plenary meeting of the Third Session of the Sixth Jiangxi Provincial People's Congress was held this morning. It approved the decision of accepting the resignations of Ma Jikong, Zhao Zengyi, and others, and electing Wang Shufeng as chairman of the Standing Committee of the provincial People's Congress and Ni Xiance as governor of the provincial people's government.

The meeting was chaired by Wang Zemin, executive chairman of the Presidium of the session. The meeting had a quorum as 799 of the 956 deputies of the provincial People's Congress attended. Executive chairmen sitting on the presidium today were Wan Shaofen, Ma Jikong, Xu Qin, Wang Shufeng, Wang Zemin, Zhang Yuqing, Xie Xianghuang, Xin Junjie, Zhang Guozhen, Zheng Xiaoxian, Huang Xiandu, Zhao Zhijian, Peng Shengxi [1756 0524 2497], (Zhang Junchen), (Zhang Zhengang) and (Shan Jichun).

Shortly after the meeting started, it approved a decision accepting the requests of Ma Jikong, Zhang Yuqing, Xie Xianghuang, Xin Junjie, Zhang Guozhen, (Du Zhao), and (Wang Hua) to resign from their respective posts of chairman, vice chairmen, or members of the Standing Committee of the provincial People's Congress; accepted the requests of Zhao Zengyi and Liang Kaixuan to resign from the posts of governor and vice governor

respectively of Jiangxi; accepted the request of Liu Bin to resign from the post of president of the provincial Higher People's Court, and the request of Chen Keguang to resign from the post of procurator general of the provincial People's Procuratorate.

The meeting approved the electoral procedures of the current session and elected the leaders of Jiangxi's state organs through secret ballot. It also approved the list of chief ballot supervisors -- (Liu Junfeng) and (Liu Kunzheng) -- and the list of other supervisors.

Earnestly and responsibly, the deputies cast their votes into the seven ballot boxes placed according to seating arrangements. Amid warm applause, Wang Zemin announced the election results: Wang Shufeng was elected chairman of the Standing Committee of the provincial People's Congress; Liang Kaixuan, Peng Shengxi, and Liu Bin were elected vice chairmen of the provincial People's Congress; (Lu Yongjiang), (Zhang Yayi), and (Tu Yubin) were elected members of the Standing Committee of the provincial People's Congress; Ni Xiance was elected governor of the Jiangxi People's Government; Jiang Zhuping [5592 4376 1627] and Qian Jiamin were elected vice governors; (Li Ling) was elected president of the provincial Higher People's Court; (Wang Xiangsheng) was elected president of the Fuzhou Prefectural Intermediate People's Court; and (Lin Hai) and (Gao Yiwen) were elected chief procurators respectively of the Shangrao and Fuzhou branches of the provincial procuratorate. The meeting also elected (Wang Shuheng) procurator general of the provincial People's Procuratorate.

According to law, the elections, will be reported to the Standing Committee of the NPC for approval.

#### SHANDONG'S ACHIEVEMENTS IN PARTY RECTIFICATION

SK010741 Jinan Shandong Provincial Service in Mandarin 2300 GMT 30 Jun 85

[Excerpts] Over the past year, under the leadership of the CPC Central Committee and the provincial CPC Committee, and through the province's earnest efforts to carry out party rectification and to conduct education among party members, our province has succeeded in strengthening the party's ideology, work style, and organizational construction, enhancing the concept of party spirit, and the fighting strength of the party, and promoting a sustained and sound development in the province's political and economic situation.

1. We have enhanced our political and ideological awareness and maintained unity with the CPC Central Committee. In the study of party rectification documents and in the regular education for party members, the party organizations at all levels have organized the broad masses of party members to study the new party Constitution, the party rectification documents and the decision of reforming the economic structure, sponsored study classes on several occasions, and given party lessons at regular intervals. For instance, the first-stage party rectification units held two or three rotational training courses during their study period. More than 10,000 party members were released from the production field to attend the classes, accounting for 75.9 percent of the total number of party rectification units undertaking the first stage of party rectification. Of this, about 93.6 percent of the leading cadres at and above the section level attended the rotational training courses.

2. We have further conducted education in thoroughly negating the Great Cultural Revolution, eliminated the leftist influence, and promoted unity. After the fourth provincial CPC Congress, the party organizations at all levels, in line with the directives of the central authorities and the provincial CPC Committee and the guidelines of the 6th Plenary Session of the 11th CPC Central Committee, have closely integrated the province's ideological and working situation and organized the people to study documents, to attend discussion forums, and to hold heart-to-heart talks.

The broad masses of party members have gradually understood the erroneous essence of the theory of continuing revolutions under the dictatorship of the proletariat, and the serious consequences, criticized the erroneous idea that one clique is wrong while another clique is correct, eliminated the misunderstanding of using their faction and persons as the line of demarcation, and solved in a fact-seeking manner the problems of some provincial-level departments and of Huimin, Liaocheng, Heze, and Linyi Prefectures and Qingdao City, which were left over from the Cultural Revolution, and strictly dealt with the bad typical persons whose problems were serious and who persisted in factionalism. The party members have further clearly understood the leftist perniciousness, eliminated the leftist influence and factionalism, intensified party spirit, brought order out of chaos in the practical work, strengthened unity inside and outside the party, and boosted the enthusiasm of the broad masses of party members and cadres to work vigorously for the four modernizations.

3. We have strengthened the concept of wholeheartedly serving the people. The vanguard and exemplary role of the broad masses of party members has become more prominent.

4. We have further displayed the work style of seeking truth from facts and going to the reality to conduct investigation and research. Over the past year, through criticizing the subjectivism, bureaucratism, metaphysics, and other erroneous things, the party organizations at all levels have restored and promoted the three work styles of the party.

5. We have strengthened the building of leading bodies and the third echelon. Over the past year, in line with the requirements for cadres and the needs of development in our work, and while strengthening the ideology and work style of the leading bodies of the provincial-level departments, commissions, offices, and bureaus, of 14 prefectures and towns. The province as a whole has selected some 6,000 persons to replenish the provincial, prefectural, and county third echelons. In addition, we have conscientiously carried out the work of investigating the third type of persons, thus purifying the party organizations.

#### BRIEFS

SHANDONG SOWN ACREAGE -- Shandong Province has successfully fulfilled the task of spring sowing. The total sown acreage reached more than 41.97 million mu. The province sowed more than 50,000 mu of the crops of cotton, peanut, melons, and vegetables with plastic covers, which will produce a quite high economic result this year. [Excerpts] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 25 May 85 SK]



GUANGDONG PARTY COMMITTEE HOLDS PLENARY SESSION

HK290418 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 29 Jun 85

[Text] The third enlarged plenary session of the Fifth Guangdong Provincial CPC Committee was held in Guangzhou on 26 and 17 June. The session elected the province's delegates to attend the national party conference of delegates. It reviewed and summed up the work of the provincial CPC Committee in the past year and more and discussed current work arrangements.

Provincial CPC Committee Secretary Lin Ruo delivered a work report on behalf of the provincial CPC Committee Standing Committee. The report summed up the experiences and lessons in work in the past year and more. These are mainly: It is essential to be unswerving in implementing the policy of opening up and carrying out reform; in the course of opening up to the world and invigorating the domestic economy, it is necessary to simultaneously strengthen controls; while building material civilization, it is necessary to attach a great deal of importance to and continually step up the building of socialist spiritual civilization. The building of the two civilizations must proceed synchronously.

Comrade Lin Ruo stressed in his report: At present we must concentrate on getting a good grasp of the following aspect of work:

1. Provide careful guidance and carry out reforms in a positive and steady way.
2. Raise the work of opening up to the world to a new level. We must vigorously develop outward-facing enterprises that can yield foreign exchange, and strictly control and resolutely clamp down on enterprises that depend on large amounts of foreign exchange for their existence. We must consciously make great efforts in importing advanced technology, and carry out technological transformation of our own enterprises and of the various sectors in a planned way. We must work hard at digesting and absorbing advanced foreign technology.
3. Strengthen macroeconomic guidance and controls, to ensure coordinated and healthy economic development throughout the province.
4. Further strengthen the building of spiritual civilization and of the legal system.
5. Do a good job in second-stage party rectification and strengthen the building of the leadership groups.

After serious discussion, the session unanimously approved Comrade Lin Ruo's work report. The session called on party organizations and members throughout the province to seriously implement the provincial CPC Committee's work arrangements. Under the correct leadership of the CPC Central Committee, they should unite and lead the people of the province to work hard and thoroughly and strive for new victories in socialist modernization.

GUANGDONG GOVERNOR URGES IMPROVING FOREIGN TRADE WORK

HK300557 Beijing ZHONGGUO XINWEN SHE in Chinese 1215 GMT 29 Jun 85

[Text] Guangzhou, 29 Jun (ZHONGGUO XINWEN SHE) -- Guangdong Governor Liang Lingguang made an important speech today at the provincial conference on foreign economic relations and trade, in which he spoke on matters of concern to people abroad such as the province's foreign economic and trade work. He expressed optimism over Guangdong's export situation this year.

On the lack of vigor in the province's foreign trade and exports, Liang Lingguang said that the situation has taken a turn for the better since certain measures were adopted. Export volume has risen at a rate of nearly 20 percent a month since April; in order to strengthen foreign trade controls, it has been decided that foreign trade bureaus will be restored in all cities and prefectures; the Ministry of Foreign Economic Relations and Trade and the Ministry of Finance have reduced the regulating tax levy on profits derived from export commodities; and initial results have been scored in solving the problem of blows dealt by "parallel goods." For these reasons, there is optimism over Guangdong's foreign trade and export prospects this year.

Liang Lingguang reiterated that it is essential to exercise strict controls over exports and face the outside world in unity. He announced that in order to maintain the good reputation in the Hong Kong, Macao and international markets of Guangdong products exported there in large quantities, the province has decided to institute from 10 July a system by which the export of rice flour, rice wine, and canned dace will be done in accordance with commodity licenses issued by the province.

On Guangdong's importation work, Liang Lingguang pointed out that defects of blindness and duplication have existed in this work in the past few years. For instance Hainan Island alone has imported over 20 production lines for color television sets. Instead of being used to import advanced technology and equipment for producing high-quality goods for export, a great deal of foreign exchange has been spent on importing consumer goods. This is a great waste. He said that in the future Guangdong must seriously examine and take stock of imported items and strictly control the import of consumer goods.

Liang Lingguang held that Guangdong's economic growth in recent years has been too fast, and a high growth rate divorced from reality has emerged. He said that the province's average annual economic growth from 1981 to 1984 was 11 percent, and last year it reached 17.7 percent. From January to May this year, industrial output value rose by 34.3 percent compared with the same period last year. He warned that excessively rapid development will intensify the shortage of energy, communications, raw materials, credit capital, and foreign exchange, with the result that the proportions of the national economy will get out of balance and disjointed, and it will be difficult to maintain staying power, and this could also promote formalism such as indulging in falsehood and boasting, which would hamper the smooth progress of reform.

Over 1,000 delegates and responsible persons of Guangdong departments concerned are taking part in this conference. They gave a warm reception to Liang Lingguang's 2-hour speech.

#### GUANGXI PEOPLE'S CONGRESS SESSION OPENS 29 JUN

HK300233 Nanning Guangxi Regional Service in Mandarin 1130 GMT 29 Jun 85

[Excerpts] The Third Session of the Sixth Guangxi Zhuang Autonomous Regional People's Congress solemnly opened in Nanning today. Present at the opening ceremony were session Executive Chairmen Chen Huiguang, Huang Rong, Jin Baosheng, Huang Yun, Qin Yingji, Zhong Feng, Li Yindan, Lin Kewu, Shi Zhaotang, Ye Fusun, Zhao Mingjian, Wei Zhangping, Gan Huaiyu, Qiu Zhenwu, and Zhang Jingming. Executive Chairman Huang Rong declared the session open at 0830.

Amid fervent applause, regional government Chairman Wei Chunshu delivered the annual government work report. The report was in three parts: 1) the situation in work in 1984; 2) unswervingly carry out reforms and fulfill and overfulfill the plans for 1985 and the Sixth 5-Year Plan; 3) improve government work and do well in strengthening leadership. The report totalled 17,000 characters.

Comrade Wei Chunshu said: The key to fulfilling the tasks for this year lies in making a success of reform. He spoke on 10 work tasks to be grasped well this year: 1) Readjust the rural production structure and vigorously develop commodity production. 2) Strive to invigorate the enterprises and improve economic results. 3) Do a good job in capital construction and strengthen the reserve force for economic development. 4) Township enterprises must show great development. 5) Further enliven circulation and bring into still better play the role of state-owned commerce as the main channel. 6) Strive to increase financial revenue and change the situation of financial difficulty. 7) Promote the work of importing from abroad and linking up with the interior, and improve the region's capacity to make foreign exchange. 8) Do a good job in the reforms of wages and prices. 9) Actively carry out reform of the structures of science, technology, and education. 10) Strictly practice planned parenthood and properly control population growth.

Comrade Wei Chunshu said: 1) We must strengthen unity, look ahead, and work in concert to build the four modernizations. 2) We must fully realize the necessity of reform. 3) We must further establish confidence in transforming Guangxi's economy as soon as possible. 4) We must embrace the viewpoint of the overall situation. 5) We must strengthen management and stress discipline.

Comrade Wei Chunshu said in conclusion: So long as the people of all nationalities in the region unify their thinking and work in concert, we will certainly be able to victoriously complete all the tasks for 1985 and create a new situation of prosperity in the region's economy.

In the first part of his report, Comrade Wei Chunshu said: In 1984, under the direct concern and specific guidance of the CPC Central Committee, Guangxi basically completed the historic task of solving problems left over from the Cultural Revolution. Encouraged by the demand of a leading central comrade that Guangxi must first achieve transformation, the people of all nationalities in the region acted in accordance with the tasks proposed by the second session of the sixth regional People's Congress, further implemented the principle of invigorating the domestic economy and opening up to the world, and launched reform of the economic structure. New achievements were scored in national economic and social development.

Last year the regions' total social output value rose by 5.92 percent over 1983. This included a 4.83 percent increase in total value of industrial and agricultural output and a 4.15 percent increase in national income. The region reached ahead of schedule the 1985 targets set by the Sixth 5-Year Plan for total social output value, total industrial output value, output of oil-bearing crops and aquatic products, afforested area, and 16 major industrial products, including coal.

He said: While grasping economic construction, we also strengthened the building of political power and spiritual civilization last year. The work of separating government administration from commune management and setting up township governments has been completed. The building of grass-roots political power has been further strengthened. The public security, judicial, and safety organs dealt hard blows at serious economic and other criminal activities by relying on the masses and working in coordination. Social order has shown a continual turn for the better.

Comrade Wei Chunshu said: Although the region made new progress in all work in 1984, we lag far behind advanced provinces, and there are still many difficulties and problems. The main ones are: We have not done enough macroeconomic research; economic relations have not yet been completely harmonized; there was a rather big drop in grain production, due to the failure of leadership to concentrate efforts and grasp implementation, the reduction of sown areas, and the impact of natural disasters; township enterprises have developed very slowly; the industrial growth rate is below the national average; the quality of enterprises is rather poor, their management standards are low, and their economic results are not good; and although a turn for the better has started in finances, we have still not extricated ourselves from our passive situation, and so on.



On the economic situation in the first 5 months of this year, Chairman Wei Chunshu said: From January to May, the region's industrial output value showed an increase of 22.27 percent compared with the same period of last year. Completion of capital construction investment in projects owned by the whole people showed a rise of 39.3 percent. Financial revenue rose by 25.9 percent. In the rural areas, as a result of implementing the spirit of central document No 1, the agricultural structure has been further readjusted, and the peasants' enthusiasm has surged still higher.

Generally speaking, the region's current economic situation is good. Of course, we must still keep clear heads, fully estimate the difficulties and problems on the way ahead, vigorously grasp the weak links, and strive for victory in work over the whole year.

The congress session held its second full session this afternoon. The executive chairmen were Chen Huiguang, Huang Rong, Li Yindan, Zhao Mingjian, Qin Zhenwu, (Huang Liguang), (Liang Xianchun), (Tan Fuqing), (Liu Hanrong), and (Liang Siwei). Li Yindan presided.

(Xie Zhixiong), director of the regional Planning Commission, delivered a report on the draft plan for the region's national economic and social development in 1985. (Ouyang San), deputy director of the regional financial department, gave a report on the region's final accounts for 1984 and the draft budget for 1985.

#### Governor Outlines Tasks

HK010621 Nanning Guangxi Regional Service in Mandarin 1130 GMT 30 Jun 85

[Excerpts] In part two of his report to the third session of the sixth regional People's Congress, Comrade Wei Chunshu said: This year is the first year for implementing the decision of the 3d Plenary Session of the 12th CPC Central Committee and launching reform of the economic structure with the focus on the cities. It is the last year of the Sixth 5-Year Plan. In economic work this year, under the premise of achieving all-round improvement in economic results, we must speed up growth rate and strive to catch up with the national average.

The main targets are as follows: Total industrial and agricultural output value should rise by 7.6 percent over last year, including a 7.3 percent rise in agriculture and an 8 percent increase in industry. National income should increase by 5.3 percent and financial revenue by 4 percent. Total capital construction investment, including items carried over from last year, should rise by 50.9 percent over last year. At the same time we must strive to control population growth. The natural population growth rate should fall to 12.5 per 1,000.

The first question dealt with by Wei Chunshu in part two of the report was that of readjusting the rural production structure and vigorously developing commodity production. He said: In readjusting the rural production structure, under the guidance of the principle of actively promoting diversification without the slightest slackening in grain production, we must persistently proceed from reality, take advantage of our strong points and avoid the weak ones, and carry out reforms at three layers. The first layer is in field cultivation. We must handle properly the relationship between grain and industrial crops and expand the proportion of the latter. Generally speaking, the area of grain should be reduced to about two-thirds of the farmland, while that of industrial and other crops should be increased to about one-third of the farmland. The second layer is within agriculture as a whole. We should solve the problem of the weaknesses in forestry, animal husbandry, and fisheries. The third layer is to vigorously develop secondary and tertiary industry within the entire rural economic setup. We should institute comprehensive agricultural operations.

Wei Chunshu said: In order to meet the needs of readjusting the rural production structure and the development of commodity economy, we must further develop specialized households and villages and various types of economic combine. At the same time, under the principle of the masses' voluntariness, we should gradually establish local cooperative economic organizations based on public ownership of land. We should further perfect the system integrating unified with scattered operations, to promote the further development of agricultural production.

The second question dealt with by Comrade Wei Chunshu was that of striving to invigorate the enterprises and improve economic results. He said: In invigorating the enterprises, apart from continuing to perfect the second stage of switching from profit delivery to tax payment and perfecting the economic responsibility systems in the enterprises, we must focus on the following tasks:

1. We must continue to streamline the administration and delegate powers. We should focus on solving the problems of separating government administration from enterprise management and of turning the enterprises into relatively independent commodity producers and operators.
2. We must further consolidate the enterprises and strengthen the building of the leadership groups.
3. We must further relax the policies.

Chairman Wei Chunshu pointed out: In invigorating the enterprises, we must regard improving economic results as the fundamental starting point. All enterprises must strive to achieve synchronous growth in production, taxes and profits, and income this year.

#### More on Work Report

HK020243 Nanning Guangxi Regional Service in Mandarin 1130 GMT 1 Jul 85

[Excerpts] In his government work report delivered at the third session of the sixth regional People's Congress, Comrade Wei Chunshu spoke on doing a good job in capital construction and strengthening the staying power for economic development. He said: Doing a good job in capital construction is a major condition for adding new productive forces and strengthening the staying power for economic development. Following the principle of controlling the scale, ensuring the key points, promoting reform, and improving economic results, we must continue to do a good job in reforming the management set up of building and capital construction.

The region's capital construction investment sum this year is quite high and the task is heavy. Apart from grasping the key points by carrying out construction of central ministry large and medium-sized projects including the (Yantan) and Tianshengqiao hydroelectric stations, the Guangxi power transmission project, the Nanning-Fangcheng railroad, Fangcheng port, the Xijiang waterway, and Liuzhou locomotive and rollingstock plant, and completing the construction of (Dahua) hydroelectric station and (Eshan) power station, we must also carry out the construction of key local projects such as the expansion of Liuzhou cement plant. We must continue to implement the responsibility system for project directors.

Chairman Wei Chunshu said: There must be great development in township enterprises. He said: The region has very good conditions for developing these enterprises. We must take effective measures, do a good job of work in all aspects, and promote great development of these enterprises. We should strive to double their output value within 2 or 3 years and to double it again by 1990. This year we must take the decisive first step in this endeavor.

In order to truly invigorate the township enterprises, the regional government has decided to further relax the policies.

Following the reform of the procurement system for agricultural and sideline products, we will allow the township enterprises to directly handle the procurement, sale, processing, and transport of agricultural and sideline products. They will no longer be restricted to their previous operational division of labor.

In accordance with clearly defined scopes, the peasants will be issued licenses for mining. Autonomous grades will be assessed for rural construction teams, and they will be treated on an equal basis with state-owned construction enterprises. There will be no restrictions on them leaving their county, entering the towns, or going to other provinces.

Chairman Wei Chunshu pointed out: In developing township enterprises, we should not just focus our vision on the enterprises run by the former communes and brigades. While running these enterprises well, we must also vigorously develop enterprises of various forms run by households, combinations of households, specialized villages, and so on. We must continue to consolidate the former commune and brigade enterprises.

Chairman Wei Chunshu said: We must further invigorate commodity circulation and bring into better play the role of state-owned commerce as the main channel. He said: We must strive to increase financial revenue and change the difficult financial situation. In recent years the region has been in a notably difficult financial situation. Revenue has increased slowly, while expenditures have risen very fast. In order to increase revenue, we must seriously grasp the following tasks:

1. Vigorously develop light industry. In particular we must increase output of key products which the market needs and which yield high taxes and profits. The departments concerned must provide ample support for this in capital, credit, raw materials, and transport.
2. Grasp the work of increasing production and income and reducing deficits and increasing surpluses in key enterprises. We must concentrate forces to make a success of this work in major enterprises running at either big profits or big losses. Units running at a loss must be given a deadline for eliminating the loss.
3. Get a good grasp of work concerning financial subsidies. We should gradually reduce subsidies.
4. Strengthen the work of levying tax collection, and strive to handle well the distribution relations between the state, the enterprises, and the workers, and between the upper and lower levels. We must levy all taxes that should be levied and guard against illegal retention or misappropriation of financial revenue. We must strictly ban tax evasion.

Chairman Wei Chunshu stressed: We must further make a success of reforming the tax system. In financial expenditures for this year, we must first guarantee the wage and price reforms. As far as other undertakings are concerned, we can only act according to our ability. We must persistently carry forward the fine work style of arduous struggle and building the country with diligence and thrift, and advocate achieving more at less cost.

#### ZHENGZHOU CPC URGES NEGATING CULTURAL REVOLUTION

HK300355 Zhengzhou Henan Provincial Service in Mandarin 1230 GMT 29 Jun 85

[Excerpts] The Zhengzhou City CPC Committee recently issued a notice to the party organizations throughout the city regarding the case of framing and persecution of cadres by (Wang Tiegong) of the Xinzheng County farm machinery company.



The notice demanded that all units take this case as education by negative example, conduct deep-going education among the party members and cadres in totally negating the Great Cultural Revolution, further eliminate leftist ideological influence, strengthen party spirit, uproot factionalism, do a good job in investigating people of three categories, and ensure the smooth progress of party rectification and the four modernizations.

The notice said: (Wang Tiegong) was deputy manager of the Xinzheng County farm machinery company, head of its business group, and a member of its party branch. During the Great Cultural Revolution, he worked at the Luoyang prefectural farm machinery company and joined three mass organizations. He actively took part in persecuting cadres [words indistinct]. After the gang of four was smashed, far from making a clean breast of his problems, he laid false charges against (Liu Gengchun) and other cadres investigating him, causing a serious miscarriage of justice.

The notice said: The truth of this case has now been revealed as a result of reinvestigation. In March this year, the county CPC Committee dealt severely with (Wang Tiegong) and decided to correct the verdict on comrades (Liu Gengchun) and (An Qingzhen), rehabilitate them, and restore their good name. Responsible comrades of the county CPC Committee and Discipline Inspection Commission, who bear great responsibility for handling the case wrongly, have been ordered to make written self-examinations. Comrade (Qi Liushun), former deputy secretary of the county Discipline Inspection Commission, has been given a serious inner-party warning.

The notice stressed: The serious handling of the case of framing and persecution of cadres by (Wang Tiegong) is of universal educational significance for eliminating leftist ideological influence, uprooting factionalism, totally negating the Great Cultural Revolution, and doing a good job in investigating people of three categories. The party organizations at all levels, and especially the leading cadres, must learn a profound lesson from this case.

NEI MONGGOL CALLS FOR BANNING OBSCENE VIDEOTAPES

SK290549 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 28 Jun 85

[Text] On 26 June, the regional Higher People's Court, and the regional procuratorate, Public Security Department and Judicial Department cosponsored a telephone conference to map out plans for the work of prohibiting obscene items. The conference gave reports on the law-violating activities of some lawbreakers in our region who smuggled, sold, reproduced and showed obscene videotapes. It also put forward specific measures for overall banning of all obscene items.

The conference noted: We should deal resolute blows to criminals who smuggle, produce, reproduce and sell obscene videotapes, those who engage in seduction and hooliganism by means of videotapes, and those who organize the showing of obscene video films. We should conduct large-scale propaganda and education and give wide publicity to regulations related to the strict prohibition of obscene items among the masses so that the people will clearly understand the danger of obscene items, and the masses, youths in particular, will increase their ability to distinguish and resist spiritual pollution.

The conference urged procuratorial, judicial and public security departments of all localities to work in coordination with the propaganda, radio and television broadcasting, and industry-commerce administrative departments in examining and consolidating the existing video film showing shops in order to suppress this unhealthy trend quickly and create favorable conditions for achieving a fundamental turn for the better in public security.

SHANXI HELPS FACTORY MANAGERS SOLVE PROBLEMS

HK290135 Taiyuan SHANXI RIBAO in Chinese 16 Jun 85 p 1

[Report by Gong Gui, Guo Xiaoyun, and Ding Jinchuan: "Many Provincial Units Begin Responding to the Call of the 31 Factory Directors"]

[Text] Since this newspaper published on 10 June the letter of appeal by 31 factory directors and managers in Taiyuan City, who called on the higher-level departments concerned to take corresponding reform steps together with their factories, there have been strong repercussions in all parties concerned, and many functional departments of the provincial government have begun to take action to settle the problems pointed out by the factory managers.

Since the provincial party committee and the provincial government laid down the "Implementation Program for the Economic Structural Reforms Focused on the Invigoration of Enterprises in Shanxi Province" in February this year, the Planning Commission, Economic Commission, Labor Department, Finance Department, Tax Bureau, Material Supply Bureau, and Pricing Bureau of the provincial government have formulated their respective concrete measures for carrying out the "implementation program." This time, after listening to the appeal of the managers of the large and medium-sized enterprises, responsible comrades of these provincial departments immediately convened meetings to study the factory managers' proposals and worked out follow-up measures to improve their work.

This time, many problems mentioned by the factory managers are related to the provincial People's Bank and the provincial Industrial and Commercial Bank, which have not formally publicized their measures for carrying out the "implementation program" although they have formed some ideas. After listening to the factory managers' opinions, the banks immediately held meetings of 28 bank leaders and section heads who had just come back from investigation tours.

The bank cadres formulated concrete measures for carrying out the "implementation program" and for settling the problems mentioned by the factory managers. Each section of the banks also took corresponding steps. A meeting of branch managers of the Industrial and Commercial Bank from all parts of the province will be held soon to implement the relevant measures.

In the provincial Department of Finance, 21 comrades have been divided into 9 investigation groups all headed by principal leading comrades of the department. They will go to various cities to help enterprises settle problems and smooth difficulties. The director, deputy directors, and general engineer of the provincial machine-building industrial department have also led work groups to make on-the-spot investigations in some large and medium-sized machine-building enterprises in Datong, Taiyuan, and Changzhi Cities so as to promote the implementation of the reform program and to help the enterprises settle problems appearing in the course of reform.

When discovering that some specialized companies had held back the depreciation funds for some large and medium-sized enterprises, the provincial medicine corporation immediately took measures to correct such actions. The provincial Department of Finance has also reduced the regulation taxes imposed on the Datong cement plant, the Yuncheng chemical plant, and the Shanxi printing and dyeing mill so as to create better conditions for the invigoration of the enterprises.

However, some departments have not yet attached importance to the appeal of the factory managers, and they are still taking a wait-and-see attitude. They have not begun to study and solve problems seriously. Comrades in grass-roots units ardently hope that these departments will take prompt action to promote reform and to support the reforms in the enterprises.



HEILONGJIANG CPC PLENARY SESSION CONCLUDES 1 JUL

SK020552 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 1 Jul 85

[Text] The Fifth Enlarged Plenary Session of the Fifth Heilongjiang Provincial CPC Committee concluded today. Li Lian, secretary of the provincial CPC Committee, delivered an important speech on several major problems in the current provincial work.

The enlarged plenary session of the provincial CPC Committee conscientiously studied and discussed the important speeches made by Hu Yaobang and other leading comrades of the central authorities at the forum of responsible comrades of various provinces, autonomous regions and municipalities, relayed and implemented the guidelines of the national educational work conference, and unanimously adopted the decision made by the provincial CPC Committee in line with the province's specific situation with regard to implementation of the CPC Central Committee's decision concerning the reform of the educational system.

During the session, the province's delegates to the party's national conference of delegates were elected. Before the conclusion of the session, Li Lian, secretary of the provincial CPC Committee, raised specific opinions on several major problems in the current provincial work. He called on all localities to make an overall and objective analysis of the current situation, always be sober-minded, and guard against and overcome the two tendencies of regarding the parts as the whole and handling the specific cases with the general rules. From now on, we should expeditiously discover and solve the new problems in the current situation, the weak links in the work, the unfavorable factors in the work, and the problems with which the masses are generally concerned.

Speaking of conscientiously implementing the CPC Central Committee's decision on the educational structure reform in an effort to ensure the coordinated development of the educational and economic work, Li Lian stressed that leaders at all levels should enhance their understanding of the importance and urgency of the educational work, and should pay attention to the backwardness in the basic conditions of the educational work, the poor teaching quality of schools, the low level of the teacher ranks, and the big gaps between the number of talented persons provided by schools and the number needed for economic construction. He said: At present, in developing the educational work, we should pay attention to solving the following three problems: 1) We should rapidly solve the problem of the professional competence of the teachers. To this end, we should accelerate the development of teacher-training education across the province. We should release a number of qualified and competent persons from government organs and appoint them to take charge of the educational work. We should strive to enable some teachers who were transferred to other jobs to return to the teacher ranks. We should also strengthen the training among the present teachers and improve their professional competence in order to make all teachers in the province become qualified before 1990. 2) We should ensure a gradual increase in the educational funds, and strive to improve the teaching conditions in schools. The increase in the educational allocations should surpass that in the local regular revenue by more than 20 percent. 3) We should vigorously relieve the shortage of residences for teachers by building a number of houses for teachers every year.

Speaking of the agricultural issue, Li Lian stressed: At present, efforts should be made to maintain stable growth in agriculture. All localities must try by every possible means to increase grain output. He said: The next step of the rural reform should guide the peasants' enthusiasm in production to the work of organizing production in line with the market and social needs, and should bring the entire agricultural production within the orbit of rational production structure and good economic results in order to further invigorate the rural economy.

Comrade Li Lian called on all localities to actually improve and strengthen the ideological and political work in order to ensure the smooth development of the reform and the four modernizations. He said: We should enable the whole party to enhance the understanding of the importance and urgency of strengthening and improving the ideological and political work. Being a profound revolution, the economic structure reform will encounter difficulties and obstructions. If we refuse to do penetrating and painstaking ideological work in line with the reform, we will be unable to ensure the sound development of the reform. In the new stage, the ideological and political work is not only the guarantee for building the material civilization, but also the core of socialist spiritual civilization.

In concluding his speech, Comrade Li Lian demanded that all our work develop with high efficiency in order to make new contributions in the second half of this year.

#### LIAONING STRENGTHENS PARTY ORGANIZATIONAL BUILDING

SK020733 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 1 Jul 85

[Text] Since 1984, more than 115,000 activists from all fronts of the province have joined the CPC. This group of new party members have better political qualities and are of a higher educational level. Of them, 24 percent have had college education. Some of them are high-grade specialized talented persons who have made important contributions to our country's scientific and technological undertakings and some of them are teachers loyal to the party's educational undertakings and enthusiastically cultivating talented persons for the country. Half of them are youths. Many of them were named as advanced models by the central authority and the province for outstanding contributions to reforms.

In the first half of this year, the institutions of higher learning across the province recruited more than 1,800 university students into the party, equalling the total figure of 1984. This group of new party members has better political qualities. Of them, 80 percent were commended as excellent student cadres and "three-good" students. At present, more than 10,000 university students are enthusiastically applying for the party.

[Words indistinct] has paid attention to recruiting party members from among young workers of the collective enterprises. In the first half of this year, more than 200 young workers joined the party.

#### BRIEFS

HEILONGJIANG PADDY SOWING -- So far, Heilongjiang Province has completed sowing 5.4 million mu of paddy fields, exceeding last year's sown acreage by over 1 million mu. About 3 million mu of the province's 6.9 million mu of disaster-stricken cropfields were replanted. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 12 Jun 85 SK]

HEILONGJIANG GRAIN ELEVATOR -- China's first mechanized grain elevator with a total area of 5,825 square meters and a total storage capacity of 11,200 tons has been constructed in Jixian County, Heilongjiang Province. The grain handling capacity is 150 tons per hour. This grain elevator will play an important role in serving as a grain transfer station for Youyi and 597 agricultural farms. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 15 Jun 85 SK]

GANSU GOVERNOR SPEAKS ON AGRICULTURAL PROBLEMS

HK020319 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 1 Jul 85

[Text] On the afternoon of 1 July, Governor Chen Guangyi summoned responsible comrades of departments concerned to look into current problems in the province's agricultural production.

Governor Chen Guangyi said: The present situation in rural Gansu is very good. Since April there has been plenty of rain, which has been very beneficial for developing agricultural production and especially for planting trees and grass and developing animal husbandry. However, due to excessive rain and warm weather in most parts of the province, wheat rust and aphids have caused rather heavy damage to the summer grain crops.

In view of this new situation, Governor Chen Guangyi expressed the hope that the county and township cadres would overcome ideas of neglecting current agricultural production, strengthen leadership over it, and get a good grasp of dealing with plant diseases and insect pests. They should strive to reduce the summer grain losses to the minimum. He also demanded that in view of the current abundant rainfall, the province seize the chance to sow more minor autumn crops such as plums and buckwheat and take effective steps to make up for the summer shortfall in autumn and to achieve a relatively good harvest over the whole year.

GANSU RADIO URGES NO SLACKENING OF GRAIN PRODUCTION

HK020321 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 1 Jul 85

[Station commentary: "We Must by No Means Relax Grain Production"]

[Excerpts] The agricultural situation in Gansu has been quite good in recent years. Grain production has developed quite fast. The peasants' problems of food and clothing have eased to some extent.

However, we must clearly understand that Gansu has never achieved an adequate level of grain production. We must by no means relax grain production. The grain problem has long been a major issue worrying the leaders at all levels and the masses in Gansu. The peasants' enthusiasm for production has surged up to an unprecedented degree in recent years as a result of implementing the party's rural policies. In addition the weather has been quite favorable. The province has reaped successive good grain harvests. This has laid an excellent foundation for the smooth development of all undertakings in the province.

In order to achieve a relatively good grain harvest this year, we suggest that the principal responsible comrades of the prefectures, counties, and townships, especially the counties, devote their main efforts in July and August to grasping agriculture. They must guide the masses to getting a good grasp of dealing with grain plant diseases and insect pests and prepare for various natural disasters.



TZU LI WAN PAO CRITICIZES TAIWAN DIPLOMACY

HK290131 Beijing ZHONGGUO XINWEN SHE in Chinese 0850 GMT 26 Jun 85

["Taiwan Newspaper Criticizes Taiwan Authorities as 'Practicing Diplomacy for the Sake of Diplomacy'" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 27 Jun (ZHONGGUO XINWEN SHE) -- Not long ago, an article published in Taiwan's TZU LI WAN PAO criticized the Taiwan authorities for their foreign policy of "diplomacy for the sake of diplomacy" and for the "hollow relations" between Taiwan and other countries.

At present, the article says, Taiwan has "diplomatic relations" with 25 regions and countries, which are mostly "mini" countries. Of these, 3 have a population of less than 10,000 and 7 have a population of less than 1 million. The total population of these 10 countries is even less than half of Taipei's population. Only 3 of these countries have a population of 10 million each. Most of the other 12 countries are in South America and they have a population of more than 1 million each. However, in North America and Europe, which are known as the First World, with the exception of the Vatican, no country has diplomatic relations with Taiwan.

In order to provide some "presentable" figures, the article points out, Taiwan's "Foreign Ministry" has tried its best to maintain those old "diplomatic ties" in addition to striving to establish diplomatic relations with those countries which have just gained their independence. The Taiwan authorities are willing to achieve some "hollow" diplomatic relations even at the cost of extending loans and economic aid and sending agricultural and agrotechnical teams of these countries. All this is not for the purpose of promoting bilateral relations and various exchanges. It is just "diplomacy for the sake of diplomacy."

COMMITTEE INVITES TAIWAN COUNTERPART TO MEETING

OW301349 Beijing XINHUA Domestic Service in Chinese 1550 GMT 28 Jun 85

[Text] Beijing, 28 Jun (XINHUA) -- The Preparatory Committee for commemorating the 580th anniversary of great navigator Zheng He's voyages to the western seas today issued an invitation letter to Taiwan's navigational circles. The letter invited Taiwan's commemorative meeting to be held in Nanjing on 11 July.

The invitation letter said: Representatives who will attend the commemorative meeting, please contact the China Navigation Society.

COAL UNION SENDS SYMPATHY MESSAGE TO TAIWAN MINE

OW301421 Beijing XINHUA Domestic Service in Chinese 1314 GMT 27 Jun 85

[Text] Beijing, 27 Jun (XINHUA) -- The China Coal Mine and Geology Trade Union sent a telegram to the No 1 tunnel of the Haishan coal mine in Taiwan today to express deep sympathy with the families of the miners who were victims of another grave disaster which occurred recently in this mine.

The telegram states: We are distressed to learn that following the gas explosion at the end of last year, another grave disaster occurred in the No 1 tunnel of the Haishan coal mine, in which more than 20 people were killed or injured. The China Coal Mine and Geology Trade Union and all miners on the mainland express deep sympathy for the families of those miners who were victims of this disaster. It is our hope that the authorities concerned in Taiwan take a serious attitude in investigating this disaster, draw a lesson from it, remove all hidden dangers, and adopt really effective measures to protect the lives of the coal miners in Taiwan. We also hope that substantial compensation will be given to the families of the victims.

TAIWAN DEBATE ON 'ENTREPOT TRADE' REPORTED

HK290127 Beijing ZHONGGUO XINWEN SHE in Chinese 1429 GMT 27 Jun 85

["Taiwan 'Legislative Yuan' Urges Authorities To Clarify Policy Towards 'Entrepot Trade'" -- ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 27 Jun (ZHONGGUO XINWEN SHE) -- Report from Taipei: Yesterday, at a meeting called by the Taiwan "Legislative Yuan," a number of "legislative members" urged authorities to make "clear policies and measures" towards entrepot trade to the mainland so as to enable the firms in Taiwan to "know what to do." The "legislative members" also pointed out that the authorities should not "detain and investigate businessmen engaged in entrepot trade" while at the same time adopting a "non-intervention" attitude in public, which will "puzzle" the firms engaged in import-export trade.

It is reported that at the meeting called by the "Legislative Yuan," Chen Chin-hsing, member of the "Legislative Yuan," said that Taiwan's entrepot trade to the mainland is carried out through competition, so, increasing the volume of the entrepot trade to the mainland will be beneficial to Taiwan. The authorities should regard entrepot trade to the mainland as a "task which cannot be shirked."

Huang Ho-ching, a member, said that at present, not only do Taiwan's products enter the mainland through entrepot trade, but the products of the mainland also enter Taiwan through the same channel. Under such circumstances, the authorities have openly adopted a "non-intervention attitude towards the entrepot trade," but at the same time have warned the firms on what they are doing. Does this mean that the authorities have "tacitly consented to" the entrepot trade to the mainland?

Lin Yu-hsiang, a member, said that at present, Taiwan imports more than 2,000 kinds of products from the mainland. Since it is "quite difficult for the authorities to intervene" in the entrepot trade, the authorities should "clarify their policy" toward the entrepot trade as soon as possible so as to let the people do business "according to the policy."

NEW MILITARY INTELLIGENCE BUREAU INAUGURATED

OW011015 Taipei CNA in English 0948 GMT 1 Jul 85

[Text] Taipei, July 1 (CNA) -- A reorganized military intelligence agency was inaugurated Monday under the direct command of the chief of the General Staff. Known as the Military Intelligence Bureau (MIB), the new agency represents a merger of the former Intelligence Bureau and the special Military Intelligence Office under the Ministry of National Defense.

In a press release, the military spokesman's office said the merger was effected "with a view to reestablishing the normal functioning of the military intelligence structure."

Lt. Gen. Lu Kuang-i, was appointed director of the MIB, which is placed under the direct command of Gen. Hau Pei-tsun, chief of the General Staff, as his intelligence arm, the release said.

The shakeup came in the wake of the recent conviction of Vice Adm. Wong Hsi-ling, former director of the Intelligence Bureau, and two of his top aides for involvement in the Henry Liu murder case.

EDITORIAL VIEWS BEIJING ARMS SALES TO THIRD WORLD

OW020357 Taipei CHINA POST in English 27 Jun 85 p 4

[Editorial: "Peking's Arms Sales to Third World"]

[Text] Peking's arms sales to Third World nations have attracted considerable attention at the recent Paris Air Show where the Peking regime exhibited many types of its latest models of ground-to-air and anti-submarine missiles copied from the Soviet versions.

A U.S. Defense Department spokesman said that Communist China has shipped an estimated U.S. \$3.9 billion worth of military supplies to 52 Third World nations since 1958.

The Chinese Communists are promoting the sales of F7 interceptors and A5 jet fighters duplicated from the Soviet MIG-21s and MIG-19s to Third World nations through a Singaporean company.

According to a March 27 AP report from London, Iran has made a deal with Peking to purchase U.S. \$1.6 billion in arms. Peking will sell Iran 12 Shen Yang J-6 fighter planes, 200 T-59 battle tanks, an unspecified number of multi-barreled rocket launchers, surface-to-air missiles and hundreds of field guns.

Peking has also sold Iraq, from March to April of 1984, 300 T-59 tanks while negotiating arms sales to Iran through North Korea, according to the revelation by THE WASHINGTON POST last April.

Peking's arms sales reached as far as Brazil to which it sold in summer 1983 weapons valued at U.S. \$2 billion. These arms were transported to the guerrillas in El Salvador and other guerrillas in Latin America.

It is clear that Peking has plenty of arms to spare for large scale arms sales abroad. It is fanning up the war flames in the Middle East as well as in the Latin American region. It has earned more than U.S. \$3.9 billion to offset the budgetary deficits which in 1984 amounted to more than U.S. \$3 billion.



Yet it tries to get all kinds of arms and technology from the United States and other Western nations to strengthen its armed forces capabilities. The only answer as to why it seeks such new arms and technology is for aggression against its neighbors, mainly the Republic of China.

Chinese Communist cadres are openly threatening to invade Taiwan by force in spite of Peking's pretensions for peaceful settlement of the "Taiwan issue." The United States should take serious note of this contradictory situation and wake up from its dream of utilizing Peking's influence to restrain the Soviets. Such attempts have already failed. The United States, in doing so, has merely estranged and disappointed its friends and allies and pleased its enemies. Such a policy should be dropped without hesitation.

#### CHINA POST VIEWS INDIRECT TRADE WITH PRC

OW281157 Taipei CHINA POST in English 24 Jun 85 p 12

[Text] The government will not prohibit local trading firms from exporting their products to Hong Kong, but it is another story if these firms know in advance that the products will end up in mainland China, according to Lee Fa-Hai, minister of economic affairs. Lee made the remarks in light of the detention and investigation of the heads of three local trading firms, and more than a dozen manufacturers-suppliers, accused of engaging in indirect trade with mainland China.

Lee said that economic authorities would not interfere with the booming indirect trade between the Republic of China and the China mainland as there was no way to check on every export deal. However, he cautioned local businessmen to keep alert for traps set by the third party involved in the indirect trade who would provide authorities concerned here with evidence of transaction bills, letters and other trading records when the two sides had disputes, as revenge.

To avoid direct contact with the mainland, trade has been going on through third parties, with Hong Kong as the largest transshipment center. Indirect trade through Hong Kong amounted to U.S. \$560 million in 1984 and economists have forecast that the trade will climb to U.S. \$1 billion this year.

#### Further Report

OW281205 Taipei CHINA POST in English 24 Jun 85 p 12

[Text] The indirect trade between the Republic of China and mainland China, with Hong Kong as its major transshipment center, has grown 157 percent from 1980 to 1984, a report said. Imports from the mainland to Taiwan are comprised mainly of Chinese herbal medicine and fresh or frozen fish; Taiwan exports mainly textile raw materials, and light industrial products such as TV sets, bicycles, motorcycles and watches to the mainland, the report added.

The report says that though the indirect trade is a purely economic activity to the ROC, it is politically motivated as far as Peking is concerned, since Peking advocated "trade, postal and air links" with Taipei in 1979.

The Peking regime's centralized economic system makes it possible to interfere with Taiwan's economic situation by boycotting trade to Taipei after placing large amounts of orders, the report warned.

It pointed out, however, that Peking's low foreign exchange reserves of less than U.S. \$10 billion made it difficult to boycott its trade with Taiwan.

According to the report, booming smuggling on the sea was due in part to mainland China's setting up 12 "fishermen reception stations" along the coast on the China mainland since November 1981. A Hsinhsin Trading Firm was even set up in March 1983 to be in charge of Peking's overall trade with Taiwan. As a result the number of smuggling cases that have been discovered by local security authorities have increased from 82 in 1982 to 161 in 1984, with Chinese herbal medicines, wine, gold, sundry goods, and light industrial products making up the bulk of the trade.

The report stressed that both indirect trade and smuggling on the sea have not violated the nation's fundamental policy of not trading with mainland China, therefore the government has not interfered in it, though it has cautioned local businessmen of the risks it might entail.

INSTITUTE DEVELOPS COMPUTERS FOR MILITARY USE

OW291119 Taipei CHUNG KUO SHIH PAO in Chinese 25 Jun 85 p 1

[Text] The Electronics Department of the Industrial Technology Research Institute, working to coordinate the planned development of relevant defense scientific and technological units, has successfully developed a set of military-use computers with a strong capacity to resist heat at higher altitude. The departments concerned have attached great importance to this achievement which is major breakthrough for the Republic of China's defense technology.

The Industrial Technology Research Institute is not only the technological source for the development of the country's high-technology industry, but it is also an important unit that works in coordination with others for the development of defense science and technology. However, the institute has always remained totally silent about similar achievement on grounds of protecting military secrets. When Premier Yu Kuo-hua inspected the institute on 24 June, an official made a "moderate" explanation of this achievements.

According to the explanation, the set of military-use computers developed by the electronics department can be used in special circumstances. Since they have a strong capacity to dissipate heat, they can be used with special equipment. This set of computers can function as a high-precision weapons control system. The development of such computers has been completed in ROC for the first time.

It was pointed that the source of technology for such computers is strictly controlled by foreign countries. Therefore, it is especially significant that the institute has succeeded in making such computers.

Yesterday Premier Yu Kuo-huan also viewed a series of parts and elements for aviation engines developed by the Machinery Research Institute. The premier congratulated and encouraged the personnel concerned on these important achievements.

FOREIGN MINISTRY REACTS TO U.S. TAIWAN ARMS DEAL

HK020237 Hong Kong SOUTH CHINA MORNING POST in English 2 Jul 85 p 8

[Excerpts] Beijing, July 1 -- President Ronald Reagan, Mr Mikhail Gorbachev and Mr Deng Xiaoping are all intelligent men who want peace, the globe-trotting American industrialist, Mr Armand Hammer, said yesterday. But communication needs to be improved between the American, Soviet and Chinese leaders, the 87-year-old chairman of Occidental Petroleum Corp said.

He urged Mr Reagan to visit Moscow and use his personable style to ease cold war tensions. "I think he could win over the Russian people if he went over. It takes a gesture of that kind to get things moving. I think it's under consideration," Mr Hammer said.

Noted for his business dealing with communists countries, Mr Hammer talked with Mr Deng for more than an hour in the Great Hall of the People, following personal meetings in the past two weeks with Mr Gorbachev and Mr Reagan. "That's some kind of record, isn't it?" Mr Hammer said in a telephone interview.

The 80-year-old Mr Deng, wearing a buttoned grey tunic, was "in great form," Mr Hammer said. He described both Mr Deng and Mr Gorbachev as pragmatic and said that Mr Reagan had toned down his strong anti-Soviet rhetoric. "He wants to go down in history as one of the great presidents, but he only can achieve that by doing two things: making peace with the Russians and cutting the deficit, the greatest cause of which is military spending," Mr Hammer said.

Mr Hammer found similarities between the leaders of the communist and capitalist giants. "One thing they have in common is that they are all intelligent and they all want peace. It's a question now of communication between the three of them. It should be much better.

"Mr Gorbachev has a feeling that President Reagan may not be his own free agent because of what he calls the military-industrial lobby complex. I happen to disagree," Mr Hammer said.

Mr Hammer is in China to dedicate the US \$650 million (about HK\$1.07 billion) Pingshuo Antaibo open-cast mine in Shanxi Province, north China, the largest Sino-U.S. joint venture. He also signed a letter of intent yesterday to help develop phosphoric acid fertiliser plants in China. Similar sales to the Soviet Union rank first among Mr Hammer's deals with communist nations, he said, followed by Antaibao.

Meanwhile, China reacted to the latest American arms deal with Taiwan by saying it hopes the United States will earnestly abide by the 1982 Sino-U.S. agreement on reducing military sales to Taipei.

A foreign Ministry statement did not specifically criticise the Pentagon's proposed US\$94 million (about HK\$733 million) sale of 262 Chaparral ground-to-air missiles, which requires congressional approval. The Pentagon said the missiles would replace obsolete M42 anti-aircraft guns and would not affect the basic military balance between Taiwan and mainland China. In the past, Beijing has protested against sales of new-generation equipment to Taiwan, including last year's transfer of 12 C130 transport aircraft.

The ministry statement, issued today, said: "China's position of opposing U.S. arms sales to Taiwan is well known. We hope that the U.S. Government will earnestly abide by the principles set forth in the communique of August 17 (1982)."



The United States agreed in the communique "to reduce gradually its sales of arms to Taiwan" in quantity and quality. But the newly appointed Chinese ambassador to Washington, Mr Han Xu, said last month that any U.S. sale of advanced arms to Taiwan would be a "clear violation" of the 1982 pact. He said 1985 sales worth US\$760 million (about HK\$5.9 billion) were down only US\$20 million (about HK\$156 million) from last year - a reduction he described as too slow.

HSIN WAN PAO COLUMN ON U.S.-SOVIET RELATIONS

HK291044 Hong Kong HSIN WAN PAO in Chinese 28 Jun 85 p 2

["New Talk" column: "U.S.-Soviet Battle of Words Causes Their Relations To Retrogress"]

[Text] The atmosphere between the United States and the Soviet Union is greatly different from that 3 months ago. Not long after Gorbachev assumed office, both sides seemed to be on good terms, with trial balloons on holding summit talks appearing from time to time. But over the past days, they have resumed their battle of words, one refusing to yield to the other.

Their confrontation took place at a UN commemoration meeting. To celebrate the 40th anniversary of the signing of the "UN Charter," San Francisco, where the signing ceremony had taken place, hosted a commemoration meeting at which representatives and diplomatic envoys of various countries were present. In his speech at the meeting, U.S. Ambassador Walters attacked the Soviet Union, saying that the Soviet Union was "carrying out subversion everywhere and threatening sovereign states." Soviet Ambassador Oleandrov at once said in return that if the United States had not been so "imperious," the United Nations would not be as it is today.

Subsequently, Gorbachev took up the attack himself. In his speech while touring the Dnepropetrovsk iron and steel works (northeast of Odessa by the Black Sea) in the Ukraine, Gorbachev attacked U.S. President Reagan's "star wars" plan and pointed out that if the United States persisted in the plan, the U.S.-Soviet nuclear disarmament negotiations would get nowhere.

Gorbachev's speech took place just shortly after the U.S. space shuttle successfully conducted the laser irradiation experiment, which was an open experiment of the "star wars" plan. This indicates that not only has the United States been active in working out the "star wars" plan, it has also formally started carrying out the plan regardless of the fact that the Soviet Union has again and again pointed out that the plan is the biggest obstacle to the U.S.-Soviet nuclear disarmament negotiations.

A news report said this morning that a U.S. State Department spokesman issued a strongly worded counterattack on Gorbachev's speech. As a REUTER reporter in Washington said, "This is the sharpest criticism Gorbachev has received since he assumed office in March."

The spokesman mentioned Gorbachev by name on two occasions, saying that he had "distorted" the negotiations and "threatened" to suspend them. No wonder some reporters asked on the spot whether such criticism would affect the U.S.-Soviet summit talks.

The spokesman refused to comment, but said only that both sides were willing to hold talks. Although his remarks were flexible, it seems that there is not much chance for the talks. The possibility of a U.S.-Soviet summit relies on the success of the Geneva nuclear disarmament negotiations, and these negotiations rely on whether the "star wars" plan is implemented. Therefore, as long as the deadlocked situation in the "star wars" plan continues, it is impossible for U.S.-Soviet relations to develop, and the Geneva negotiations might possibly be suspended once again.

The Soviet Union's first suspension of the Geneva negotiations took place along with boycotting the Los Angeles Olympic Games. Some people commented that these were two mistakes by the Kremlin. The suspension of the Geneva negotiations allowed public opinion in Western Europe to tend toward the United States; the boycotting of the Los Angeles Olympic Games enabled the United States to win a large number of gold medals, which stimulated the national feeling of the American people.

After 1 and 1/2 years of suspension, the U.S.-Soviet negotiations at Geneva were resumed this spring. This was when Gorbachev assumed office. Although the negotiations proceeded normally, no progress has been made, and up to now the negotiations are still in recess. Reagan is taking a greater and greater interest in the "star wars" plan (he has sent people everywhere, and even to Beijing, to sell his idea). It seems that U.S.-Soviet relations are retrogressing.

TA KUNG PAO ON CHIANG'S VISIT TO JINMEN, MAZU

HK010653 Hong Kong TA KUNG PAO in Chinese 29 Jun 85 p 2

[Editorial: "Commenting on Chiang Ching-kuo's Visit to Jinmen and Mazu"]

[Text] On the eve of the Dragon Boat Festival, Chiang Ching-kuo visited Jinmen and Mazu. Action taken by the mass media in Taiwan shows that they attached special importance to the issue. They reported in detail that over the days, Chiang Ching-kuo "listened to brief reports, inspected strongholds, barracks, wharves, and reservoirs" and "encouraged subordinates, exchanged greetings with the people, and talked with the students" "despite hardships." In addition, the Taiwan television station shot a documentary on the issue. The CHUNG YANG JIH PAO and CHUNG KUO SHIH PAO broke their conventional rules and published editorials. In its editorial, CHUNG KUO SHIH PAO emphatically stressed that Chiang Ching-kuo's second "visit to Jinmen and Mazu" "is a severe test of physical strength. It has fully shown that Mr Chiang Ching-kuo is in good health and is able to handle arduous tasks." Furthermore, the KMT Central Standing Committee decided to send copies of Chiang Ching-kuo's speeches, delivered at Jinmen and Mazu to military and government cadres, and to "persons who participated in the meeting for reference." Such mammoth and varied coverage of the issue gives one an "unusual" feeling.

For reasons which are widely known, the ulterior motives of the Taiwan mass media for large scale publicity of Chiang Ching-kuo's visit to Jinmen and Mazu are not incomprehensible. On the other hand, we show sympathy for the painstaking efforts of the 70-odd year old Chiang Ching-kuo, who inspected Mazu despite the "force 10 gale." However, it seems an exaggeration to say that this "visit" of Chiang Ching-kuo to Jinmen and Mazu "attracted world attention" and once again "brought glad tidings" to Taiwan. This is because if one's whereabouts really "attract world attention," it will set people thinking whether it is a blessing or a misfortune, which cannot be lumped together.

When visiting Mazu, Chiang Ching-kuo delivered a speech to the military and government cadres, in which he proposed three tasks regarding "the trend of the times", "fighting capacity," and "constructiveness." It is learned that these tasks were proposed after summing up the historical experience and for accomplishing the mission of the times. After reading the full text in detail, however, one regretfully notes that Chiang Ching-kuo has mistakenly summed up historical experience and gone contrary to the trend of the times. No matter that he delivered a speech in an interesting way, it is certain that few people will appreciate and really believe that he is "wise and farsighted."

In his speech, Chiang Ching-kuo discussed at length "the trend of the times." At the same time, however, he lost his sense of the times. At present, what are the characteristics of the times on both sides of the Taiwan Strait? They are not the so-called "base for rejuvenation" or "fighting against communism and restoring the country." Instead, they are the irresistible trend of reunification. It is just as a Taiwan scholar said: "We still have not seen any greater force that can prevent Taiwan from taking this road, though such a road may be a slow and winding one." Only if Chiang Ching-kuo can conform to the requirement of the times and determinedly remove the signboard of "Republic of China," which already exists in name only, can he make "a more glorious history" and will he be highly praised by China's 1 billion people.

On "the fighting capacity," Chiang Ching-kuo further lags behind in terms of the development of the situation. At this moment, he still treats the compatriots in mainland China as "enemies," and deliberately causes tension. In fact, the situation of confrontation on both sides of the Taiwan Strait began to ease as early as the 1970's. The situation of the Taiwan Strait became more quiet after Ye Jianying proposed the nine-point policy toward Taiwan and Deng Xiaoping put forward the concept of "one country, two systems." Fishermen on both sides of the strait have lived in harmony and cooperated with each other. So why is it that Chiang Ching-kuo treats his compatriots as enemies? China's leaders have repeatedly stated that peaceful reunification of the motherland is an unswerving principle. Moreover, the leaders firmly believe that once the interference of foreign influence is removed, it will be certain to be realized. On a recent issue in which Beijing refused to promise not to settle the Taiwan question through non-peaceful means the Taiwan authorities have been wrangling about the matter. But this does not serve the purpose of making the authorities more respectable, except that they ask for more weapons on this basis. This is because the Taiwan question is China's internal affair and concerns national dignity. Why is it that we must give promises to foreign countries?

On the "constructiveness" proposed by Chiang Ching-kuo, it is undoubtedly a mission of the times. Moreover, it completely tallies with mainland China's goal of the four modernizations. This reflects the common aspirations of people on both sides of the strait. At present, the public feeling in Taiwan is one of unease. The willingness to invest is unprecedentedly low, and there is an outflow of both capital and qualified people. Thus, the problems are by no means minor ones. On the other hand, if both sides of the strait join together, not only can both parties make up each other's deficiencies and gain mutual benefits, but the fundamental interests of the people will also be protected. But if Taiwan attends to trifles to the neglect of essentials, it will eventually find it difficult to put an end to the "difficult situation," no matter how "good" the health of Chiang Ching-kuo. In addition, if it persists in this way, it will inevitably be "drowned" by the trend of the times.

Now, the factors that allow the KMT regime to exercise sovereignty over a part of the country, on which the KMT regime depends, are fading away. The developing situation has reached a juncture. One wrong step may bring a great fall. It is hoped that before he dies, Chiang Ching-kuo will follow the attitude of being responsible for the prospects of the country and the nation, as well as to our descendants and to history. It is also hoped that he will make a decision which makes him worthy of the name of a descendant of the yellow emperor!



XU JIATUN COMMENTS ON BASIC LAW DRAFTING WORK

HK011219 Hong Kong WEN WEI PO in Chinese 1 Jul 85 pp 1, 2

[Article by Yuan Xianlu, RENMIN RIBAO chief correspondent in Hong Kong: "Xu Jiatun on the Work of Drafting the Basic Law"])

[Text] [Editor's note] This article was originally carried in the first overseas issue of RENMIN RIBAO, published today. The article, which touches on a number of important questions, was written by Yuan Xianlu, RENMIN RIBAO's chief correspondent in Hong Kong. Readers are expected to read it carefully. [end editor's note]

The work of drafting the basic law is of great historical significance. The Hong Kong members of the basic law drafting committee will play a very important role in this work. Xu Jiatun, director of the Hong Kong branch of XINHUA NEWS AGENCY and deputy director of the basic law drafting committee, expressed such opinions during a special interview by this correspondent.

On the afternoon of 21 June, Director Xu Jiatun was interviewed in his office by this correspondent writing for the first overseas issue of RENMIN RIBAO, due to start publication on 1 July. When this correspondent entered his office, Xu smiled and said that the basic law drafting committee would hold its first meeting on 1 July, so he was busy preparing for it within a space of a few days because he would leave for Beijing soon. In order to support the publication of the first overseas edition of RENMIN RIBAO, he said that he was willing to arrange an interview.

The Work of Drafting the Basic Law Is of Historical Significance

Since Director Xu Jiatun mentioned the basic law drafting committee, this correspondent asked him to talk about his feelings about being a deputy director of that committee.

Xu Jiatun first stressed the importance of the basic law drafting committee, saying: "The work of the basic law drafting committee is to draft the basic law of the Hong Kong Special Administrative Region under the People's Republic of China. It will conform to the principles of the Sino-British joint declaration, with the policy of 'one country, two systems,' and with the interests of the broad masses of Hong Kong people in mind, in order to ensure Hong Kong's long-term prosperity and stability after Hong Kong's reunification with the mainland. Doing this work well will not only help to ensure further stability and prosperity after 1997, but will also have a positive impact on the great cause of the reunification of our motherland. I think it is no exaggerating to say that the work of the basic law drafting committee is of great historical significance." Xu Jiatun went on: "I am greatly honored to have a chance to participate in this work, but at the same time, I feel that I also have a grave responsibility. I will closely cooperate with my colleagues on the basic law drafting committee, learn from them, and do my best to contribute to the accomplishment of this task together with my colleagues."

The Namelist of the Basic Law Drafting Committee Is Welcomed in Hong Kong

When this correspondent asked Director Xu to comment on the public response towards the namelist of the basic law drafting committee, he said: "The namelist of the basic law drafting committee has naturally received great attention from the public." He also said: "In recent days I have been observing the public response in Hong Kong. It seems that the namelist has been welcomed by the people on all sides." "Most of the people here seem to be satisfied." This correspondent pointed out: "Some people have criticized the namelist. They think that there are not enough young people and people from the grass-roots level among the Hong Kong members of the basic law drafting committee."

Director Xu Jiatun said: "The choice of Hong Kong members of the basic law drafting committee was made after considering the historical background and the present situation in Hong Kong, in accordance with the principle of what is beneficial to Hong Kong's continued stability and prosperity, and after carefully studying the opinions of the various sides." "Some people think that the namelist of the basic law drafting committee is not good enough. I think that their opinions are reasonable, but we should be realistic when we consider a question. The basic law drafting committee cannot be too big. There is now a 40 percent Hong Kong representation on the basic law drafting committee, which is not a small percentage. However, only a limited number of people can be on the committee. It was a difficult task to choose 23 Hong Kong members of the basic law drafting committee. A local newspaper carried two headlines: One was 'Embracing the Most Talented and Experienced From All Walks of Life,' and the other was 'Considering the Interests of All Sides.' This was just what we wanted to do when considering the namelist, but it does not mean that we have included all the most talented and experienced on the list, or that those who have not been named are not among the most talented and experienced people. In fact, there are many respectable, well-known people in Hong Kong, but because of the small size of the committee, we cannot include all those people on the basic law drafting committee. It is a pity, but I do think that people from all walks of life can understand this situation."

"Some Hong Kong newspapers have carried comments on Sir Sze-yuan Chung's not being included on the basic law drafting committee," said this correspondent. Director Xu was asked to comment.

Director Xu said with a smile: "I have nothing to say about that." This correspondent said: "You have nothing to say, but the local newspapers have commented on this." "It has been reported that the opinions of open-minded people and conservatives in China differed on this question. We are also told that you are open-minded, and that you advocated that Sir S.Y. Chung be included on the basic law drafting committee. In order to speak for Sir S.Y. Chung, you even purposely went to Beijing, but you failed."

"What an imagination!" laughed Xu Jiatun after hearing what this correspondent said. Xu Jiatun then said: "The truth is, I went to Guangzhou on official business and I did not go to Beijing." "As for open-minded people and conservatives, the difference in opinions, and my failure to speak for Sir S.Y. Chung," he waved his hand and said seriously, "these are total nonsense."

#### Hong Kong Members of the Committee Will Play an Important Role

This correspondent said: "Some Hong Kong newspapers have said that Hong Kong members of the basic law drafting committee will not play any practical part in the committee. For example, a Hong Kong columnist wrote an article entitled 'Decoration More Than Effect' about this issue." Our correspondents then asked Director Xu Jiatun to comment.

Xu Jiatun disagreed and shook his head: "I am afraid that things are not like that."

"The 23 Hong Kong members represent the broad masses of Hong Kong people and Hong Kong compatriots from all walks of life trust them. In the words of a Hong Kong newspaper, these people originate in Hong Kong and can exercise enormous social influence. As far as I know, these people are very concerned about the future of Hong Kong and have always adopted a positive attitude towards safeguarding Hong Kong's stability and prosperity."

"In the past, representatives and well-known people from all walks of life in Hong Kong openly and privately expressed many valuable opinions through various channels before and during the Sino-British negotiations. The basic policy of the Chinese Government towards Hong Kong has been made on the basis of all these opinions. This is an important reason why Hong Kong compatriots feel that the Sino-British joint declaration is better than they expected. Since the past situation was like this, the future situation will also be like this. I believe that Hong Kong members of the basic law drafting committee will actively express their opinions and fully reflect the wishes of the broad masses of Hong Kong compatriots and the actual situation in the various fields of Hong Kong. Their opinions will surely be respected. With the cooperation and joint efforts of the Hong Kong members and the mainland members of the basic law drafting committee, we will certainly be able to draft a basic law which will satisfy China, Britain, and Hong Kong compatriots."

Xu Jiatun then stressed with full confidence: "Briefly, the Hong Kong members of the basic law drafting committee will play an important part in the work of drafting the basic law."

#### Intensive Preparations Are Being Made for Setting Up the Consultative Committee

What is the setup of the consultative committee? What is its size? How will it do its work? When will it be set up? This reporter asked Director Xu Jiatun to clarify these issues.

"With regard to the setup and work of the consultative committee, people in Hong Kong have various views. The newspapers are still carrying articles expressing different views. It is necessary to continue listening to views from various quarters and to study them carefully so that we can have a relatively proper plan."

"As for the time of setting up the consultative committee, because there is still much complicated and meticulous work to be done, it is impossible to form it very quickly. However, the drafting committee has been set up and will soon start work. The setting up of the consultative committee is not far away."

#### Hong Kong Compatriots Can Play Their Role in the Long-Term Prosperity and Stability of Hong Kong

"Hong Kong has a galaxy of talent and has quite a few influential people in various circles. The consultative committee should naturally absorb the representative figures of various circles. It will have more members than the drafting committee, but it will still be impossible to absorb all the influential people. There will always be some people who have the qualifications to join the consultative committee but who, because of the limited number of people, cannot become members of the consultative committee."

When commenting on the list of the members of the drafting committee, a newspaper recently stated: 'In formulating the law, we should only seek the support of the people. Its success does not necessarily depend on one.' I appreciate this very much because they reflect a breadth of vision proceeding from the overall situation."

"However, I should also add that to make Hong Kong more stable and prosperous after its return to the motherland, every Hong Kong compatriot can play a positive role. All people, whether or not they are members of the drafting committee or consultative committee, can express their views on the drafting of the basic law. Different views will be modestly and attentively listened to and taken into serious consideration. All views in the interest of Hong Kong and the motherland will certainly be adopted."



"I have full confidence in the Hong Kong compatriots who love the motherland and Hong Kong. I firmly believe that they will surely make their due contributions to the return of Hong Kong to the motherland and to the long-term stability and prosperity of Hong Kong."

#### A Way To Gain an Understanding of the Hong Kong Situation Is To Learn From Hong Kong Compatriots

The appointed time for the interview was almost over. This reporter asked Director Xu Jiatun to talk about his principal experiences since he came to Hong Kong to work 2 years ago.

"I came to Hong Kong on 30 June 1983 and I will have been here 2 full years in a few days' time." After thinking for a short while, he modestly said: "I am not in a position to talk about my experiences, but I have indeed learned a lot of things from Hong Kong compatriots in the past 2 years."

Public opinion in Hong Kong generally holds that soon after taking office, Director Xu Jiatun gained a fairly comprehensive and profound understanding of the various situations in Hong Kong and ideas of the Hong Kong compatriots. How could he achieve this in a short time? This reporter asked him about this.

"A complete and profound understanding is still out of the question. If I have gained some understanding, the way to do it, as I have just said, is to learn from the Hong Kong compatriots. One way is to read more newspapers and magazines of various kinds, and another is to seek instructions firsthand from people in various circles."

When Xu Jiatun talked about the need to read more newspapers and magazines of various kinds, this reporter recalled what he had heard from a friend working in the XINHUA NEWS AGENCY: Soon after taking office, Director Xu asked the personnel concerned to buy a copy of every Hong Kong newspaper and magazine they could find on the market. Now he reportedly reads more than 10 newspapers and many publications.

Finally, this reporter sought his opinions on how to run well the overseas edition of RENMIN RIBAO.

"You should seek more opinions from overseas readers. In running an overseas edition, it is necessary to strive to understand the demands of overseas readers, to strengthen links with them, and to win their support. I have no right to put forward any specific opinions. In Hong Kong, you should come into contact with a broader section of people and listen more to their opinions."

The interview came to an end. Before this reporter left Director Xu's office, Xu said with a smile: "Just wait for the overseas edition of RENMIN RIBAO. I once again congratulate the publication of the overseas edition and wish it success!"

#### BASIC LAW COMMITTEE TO DISCUSS CONSULTATIVE BODY

HK010317 Hong Kong SOUTH CHINA MORNING POST in English 1 Jul 85 pp 1, 12

[By Louis Liu]

[Text] Beijing, June 30 -- The first meeting of the basic law drafting committee tomorrow will discuss the setup of the consultative body, its secretary-general, Mr Li Hou, said today.

Mr Li, who is also the deputy director of the Hong Kong and Macao Affairs Office under the State Council, said the drafters would discuss a set of programmes for the drafting committee to work on.

It is understood that the chairman, vice-chairmen and secretary-general of the committee will meet tomorrow morning to discuss the agenda of the meeting, which is expected to last five days. The chairman of the committee, Mr. Ji Pengfei, who is also the director of the Hong Kong and Macao Affairs Office, will officiate at the opening ceremony of the meeting at 3 p.m. The first day's meeting is expected to last less than 2 1/2 hours with a press conference scheduled at 5:30 pm.

Mr. Li was at the airport to welcome the 21 Hong Kong members of the drafting committee. He said that formation and structure of the basic law consultative committee would be discussed during the five-day meeting. The drafting committee will have to decide whether the consultative committee will be set up solely by Hong Kong members, or with the help from other quarters. He did not elaborate on "other quarters." But he was quite sure that the consultative committee would not be announced at the end of the drafting committee meeting.

Tomorrow's meeting will be held at the Great Hall of the People, with 58 members of the drafting committee attending.

An absentee from Hong Kong is Mr Tam Yiu-chung, vice-chairman of the Federation of Hong Kong Trade Unions. He is currently on a course on labour matters in Britain.

Apart from Mr Fei Yiming, the director of TA KUNG PAO, who has been in Beijing for some time, the other 21 Hong Kong members arrived on the same flight.

Mr T.K. Ann, who is a vice-chairman of the drafting committee, spoke to reporters on behalf of the Hong Kong members. He said members would later split up into small groups for discussions. "Then there will be a clearer picture of how the Basic Law will be drawn up." Mr Ann said the Basic Law has a very important bearing on the future of Hong Kong. The drafting committee will be split into three groups "with a mixed membership" including Hong Kong as well as mainlanders. Each group will be headed by "more than one convenor" from Hong Kong and the mainland.

During the sessions, matters concerning the consultative committee would be brought up, he said. But he was not sure whether a framework on the formation and structure of the consultative body would be formed within five days. "There are quite some mainlanders in the drafting committee, and we will like to listen to their views," Mr Ann said.

Unlike Mr Li, he was quite firm in saying that the setting up of the consultative body was a matter for Hong Kong rather than Beijing. He said it was still too early to say whether all 23 Hong Kong members of the drafting committee would sit on the consultative body.

#### SERIES OF DEFENSE EXHIBITIONS SET FOR BEIJING

HK290824 Hong Kong HONG KONG STANDARD in English 29 Jun 85 p 1

[By Paul Campbell]

[Text] China appears to be moving towards a major re-equipping of its armed forces over the next few years. Chinese officials are reeling under an onslaught of companies from outside China competing to display high technology weapons and other military equipment in Beijing next year. Armaments dealers and manufacturers from Japan, the United States, Britain and West Germany are expected to take part in a series of four exhibitions, which are being arranged by three entrepreneurial companies in Hong Kong.

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The first exhibition is scheduled to be held in the Chinese capital in January next year, followed by the second in May, and a third in November.

Mr Francis Lam, the exhibitions manager of Database Asia, one of the companies which initiated discussions with the Chinese on displaying the sophisticated weaponry, said that the Chinese authorities were concerned at the possible impact of three defence exhibitions within the space of one year. He said that it is possible that the May exhibition will be postponed.

Mr Lam added that prospective exhibitors are now being informed to ensure that the postponement will not affect the logistics involved in shipping the high technology systems to China. He said that Database Asia was now awaiting replies from the armaments dealers and contractors before finalising the dates with Beijing.

The company is also preparing for the maritime defence exhibition -- the fourth in the series -- which is planned to be held in Shanghai in either 1987 or 1988. Negotiations are headed by the company's chairman, Mr Leslie Collings, who visited China for talks this month.

Mr Lam said that the equipment on display will be state-of-the-art weaponry and defence systems. He added that the purpose of the exhibitions is to provide a meeting ground between armament and ammunition companies and the Chinese defence authorities.

Defence industry sources said the fact that China was prepared to hold four exhibitions indicated that a major re-equipment of the Armed Forces is being considered.

In recent years, Beijing has spent a great deal of foreign exchange to upgrade its Armed Forces communications, and to buy advanced artillery shells, anti-tank rockets and anti-aircraft missiles.

The maritime defence exhibition at Shanghai is seen as particularly significant in view of the somewhat antiquated state of the country's naval forces.

Despite the apparent desire to acquire Western weapons technology, China has already built up a significant "home grown" arsenal of missiles, including the land-based CSS-X-4 intercontinental ballistic missile and the CSS-NX-4 submarine launched version.

Western experts believe that China is shopping for middle-range weapons systems, with an emphasis on defensive rather than offensive capability.



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